The Financial Times November 11 1976

FINANCIAL TIMES
No. 27,122
Thursday November 11 1976
***10p
CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Pts.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70.

NEWS SUMMARY

GENERAL

Unionist threat to drop Powell

ster Unionist leaders yesterday issued an angry warning to . Enoch Powell to "toe the rty lines" after the former nservative Minister had licated his support for maintaining the Labour Government office.

ir. Harry West, Unionist rty leader, made it clear that Powell could be dropped as party's candidate in South n at the next election if he ied any decision to vote inst the Government.

his warning of expulsion was r strongly reinforced by Mr. Paisley and Mr. James Molyux, other leading members of Unionist coalition.

ir. Powell was barred yester- from speaking at a City of ndon Young Conservatives eting at which he was parently to offer his vote to tain the Labour Government. e 15

lster move

ding figures in some of ter's Protestant paramilitary anisations are to-day to give ir support to the option of a otiated independence for the vince. In Dublin, a 24-year- IRA Provisional was jailed 12 years for causing £750,000 th of fire-bomb damage in the

more die Rhodesia

Ivor Richard, chairman of Rhodesia conference in eva, yesterday continued his tings of Black African onalist leaders. In Salisbury, rity forces said that one Rhodesian soldier and 24 tilas had been killed in the 24 hours. Page 7

ita Minister South Africa'

he eve of to-day's first anniary of Angolan independence ing continued in southern ola amid reports that Mr. Sangumba, Unita Foreign ister, had arrived in South ca, reviving questions about th African involvement in ola. Page 7

aider kills arclays girl

20-year-old girl cashier died terday after being gunned n at point blank range in the n. Kingston, Surrey, branch Barclays Bank. Police were king a young man with what described as "an Indian or [illegible]-type" complexion. Barclays t night offered £50,000 reward information leading to the rest of the killer.

annabis haul

stoms officers at London's athrow airport yesterday zed cannabis worth about [illegible] on the black market. The [illegible] was in containers which had rived from Uganda addressed Athens, but Customs men oved in when there was an tempt to collect the consignent. Five men are to appear court to-day at Staines, Middle-[illegible]

50 years on

mperor Hirohito, 75, yesterday celebrated 50 years as Emperor of Japan as [illegible] police mount [illegible] Left-wing demon-strations.

Briefly . . .

British Leyland dismissed as "nonsense" reports that 50 Range Rovers had been stolen from its Solihull factory.

A Jordanian couple were fined [illegible] with £20 costs in London after admitting stealing items worth £24.41 from a Marks and Spencer Oxford Street branch.

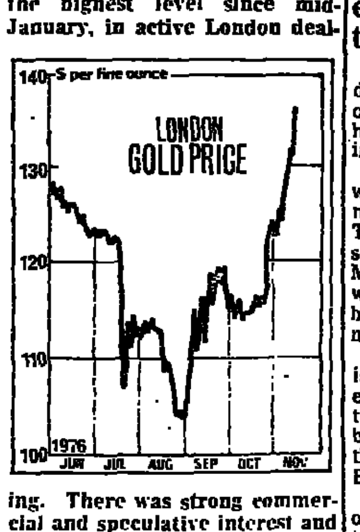
Inquest on Mr. Cyril Bennett, the ITV executive who died in a fall from his London flat, was opened and adjourned.

Commons Select Committee investigating allegations of MPs' involvement with Mr. John Poulson has appealed for evidence from the public.

BUSINESS

Gold up $5⅛; sterling rises ½c

● GOLD gained $5⅛ to $136⅛, the highest level since mid-January, in active London dealing. There was strong commercial and speculative interest and heavy buying from the Far East. Domestic and international krugerrands rose to £86 (£83).



● STERLING rose 45 points to $1.6335 and its weighted depreciation improved to 46 (46.2) per cent. The dollar's depreciation narrowed to 2.30 (2.36) per cent.

● GILTS continued to recover with gains extending to ⅜. The Government Securities index gained 0.22 to 57.76.

● EQUITIES were firm. The 30-share index gained 6.9 to 302.7. The All-Share index was 3.3 per cent. up at 129.75.

● WALL STREET was down 6.15 at 924.62 near the close.

● COCOA PRICES rose to new peaks in London yesterday. The March position gained £69.5 to close at £1,966. Page 31

Post Office cuts operator charge

● POST OFFICE is cutting charges for most calls subscribers cannot dial themselves. Ordering of strowger electro-mechanical switching equipment will stop next spring, three years ahead of schedule. Page 13. STC opened an optical fibre and cable factory at Harlow. Page 8

● EEC Commission will open anti-dumping proceedings against imports of ball bearings and tapered roller bearings from Japan. Back Page. Japanese steel exports rose 31.1 per cent. in the first half of the 1976-77 financial year. Page 8

● MONOPOLIES Commission may investigate the system of suppliers giving bulk discounts to retailers. Back Page. Bird's Eye report, Page 11

● CHEVRON has discovered oil 80 miles North East of the Shetlands. Tests seem to indicate a small-to-medium field. Page 13

● MONTEDISON may participate in the £12m. dyestuffs intermediates plant being built in Scotland by ICI. Page 13

COMPANIES

● AEG-TELEFUNKEN is selling to Siemens for DM618m. (£157m.) its 50 per cent. stake in Kraftwerk Union, Germany's leading power station builder. Back Page and Feature, Page 25

● DEVELOPMENT Securities shares were suspended after an 83p leap to 500p. A Stock Exchange inquiry is expected. Page 18

● GENERAL ACCIDENT had pre-tax profit of £27.4m. (£10.1m.) in the first nine months. Page 21 and Lex

● SAINSBURY first-half pre-tax profit increased to £10.7m. (£5.74m.). Sales rose 18.2 per cent to £326.2m. Lex and Page 20

● SANDSTAR has made a 28p a share bid for the 28 per cent. of Graff Diamonds not held by Mr. Laurence Graff, his wife and Sandster, their private company. Page 22 and Lex

Warning on cuts supported by over 100 Labour MPs

BY RICHARD EVANS, LOBBY EDITOR

A powerful warning to Ministers against including further cuts in public expenditure in the package of economic measures now under consideration by the Cabinet was delivered by over 100 Labour MPs last night.

They signed a Commons early day motion expressing total opposition to any more cuts in health services, education, housing and other social services.

The significance of the motion, which was organised largely by members of the Left-wing Tribune group, is the widespread support it has received from MPs in the centre of the party who have previously been firmly behind the Government's economic strategy.

The general tone of the motion is strongly Tribunite with an emphasis on the need to pursue the alternative economic strategy based on policies approved by the Labour Party conference at Blackpool in September.

These include the introduction of selective import controls, the implementation of compulsory planning agreements with major companies, the use of the National Enterprise Board to promote investment where needed, control of the outflow of capital abroad and reduction of overseas military commitments.

The strength of support illustrates the stresses to party unity that are certain to follow any package that contains public expenditure cuts or which is regarded as deflationary and harmful to employment prospects.

The total number of Labour MPs is now 312, of whom nearly 100 are members of the Government, who cannot sign early day motions. This means that almost half of those eligible have signed a resolution at variance with current Government economic policy.

The resolution, sponsored by Mr. Arthur Latham, chairman of the Tribune Group, was timed to coincide with to-day's Cabinet meeting, which is expected to discuss the economic package due to be announced in the next few weeks after the current visit to London by representatives of the IMF.

A growing swing towards the Conservative Party in Scotland was indicated last night by a public opinion poll which gave them 37 per cent of electors. Labour and the Nationalists were almost neck and neck — with 29 per cent. and 28 per cent. respectively. The poll was carried out by Marplan for BBC TV. Labour yesterday launched a fierce attack on the Scottish National Party, accusing it of greed, arrogance and subversion. Page 11.

The signatories hope that it might strengthen the arm of those members of the Cabinet, notably Mr. Anthony Wedgwood Benn, Secretary of Energy, and Mr. Peter Shore, Secretary of the Environment, who are known to be fighting the rearguard action against any element of further public spending cuts.

They also hope their action might have some effect on the IMF representatives, who are discussing the terms of a U.K. letter of intent to meet the conditions required for granting the request for a $3.9bn. standby facility.

What the signatories, who include at least 50 MPs from outside the Tribune Group, are seeking is a controlled expansion of the economy and their leaders make no attempt to hide their view that if a change of policy cannot be achieved under Mr. Denis Healey, then the Prime Minister should consider appointing a new Chancellor.

At the same time, over 140 Tory backbenchers tabled a Commons motion yesterday which declared starkly: "That this House has no confidence in Mr. Chancellor of the Exchequer."

Because Mrs. Margaret Thatcher, the Opposition Leader, has refused to allow pairing, three Cabinet Ministers have had to cancel their attendance at a dinner to-night given by President Giscard d'Estaing in Paris. But the Prime Minister will be there, to seek French support for Britain's $3.9bn IFM drawing request.

French visit Page 4

Healey stresses need for stable £

BY MICHAEL BLANDEN

THE IMPORTANCE of preventing any further decline in the value of the pound was stressed yesterday by Mr. Denis Healey, the Chancellor of the Exchequer.

Commenting on the prospects of new economic measures, Mr. Healey said he thought it was clear that the Government would have to make some adjustments to keep its policy on course. He was considering the latest advice on the prospects for next year and deciding what needed to be done.

His prime objectives would be simple. First, he thought, "we have got to stabilise the exchange rate of sterling." Further decline would destroy confidence and add to inflation.

Secondly, "we have got to make sure that the gap between what we are spending and what we are getting in tax and revenue is not too great so that it forces us to keep interest rates so high that they choke off the industrial recovery."

The Chancellor's comments on BBC Wales came as the City markets showed a further recovery amid expectations of Government action to cut the public sector borrowing requirement.

As a result, the markets have made up a good part of the setback suffered on Monday after the week-end reports of the expected increase in the forecast of the borrowing requirement next year.

Stocks up

The Financial Times ordinary share index gained 6.9 points yesterday at 302.7, after being 10.8 points up earlier in the day. This took it back over the 300 mark, and compared with a level of 308.7 last Friday.

Prices of gilt-edged stocks also rose, particularly important to the authorities, with another £1.2bn. of new stocks to be issued this morning. The gains took the FT Government securities index up by 0.22 to 57.76, bringing the recovery in the past two days to 0.57.

But the index was still below the 57.86 reached on Friday, and the recovery had not gone far enough to bring yields back into line with the levels at the end of last week which are reflected in the terms of the new issues.

In the money markets, interest rate levels were indicating a possible cut in minimum lending rate to-morrow.

The improvement in gilts was again helped by a rise in the pound. The pound closed 45 points higher at $1.6335 with its effective depreciation from December 1971 levels narrowing from 46.2 per cent. to 46 per cent.

Earlier in the day it had gone above $1.64 with buying reported from European sources.

Economic Viewpoint Page 19

Israelis see peace hope with PLO

BY RICHARD JOHNS, MIDDLE EAST EDITOR

FOR the first time the Israeli Government has recognised the possibility that the Palestine Liberation Organisation may be set on a course to a peaceful settlement of the Middle East conflict.

At a private briefing in Jerusalem this week Knesset members were told by what the Israeli Press described as "senior officials" — almost certainly Mr. Yitzhak Rabin, the Premier, that Mr. Yassir Arafat, chairman of the PLO, was believed to have decided to suspend guerilla operations into Israel from the Lebanon.

No attacks

As part of the compromise on the Lebanon agreed by Syria, Egypt and the PLO last month, the guerillas were allowed to return to their old bases in the Arkoub area of south-east Lebanon. But they have shown no signs of resuming actions across the border, to the apparent surprise of the Israeli authorities, who observed the reoccupation of "Fatahland" with concern.

The Israelis believe that this precedes a major political offensive by Syria early in the New Year for a wider settlement in the Middle East.

The "senior official" is also understood to have said that Israel believed President Assad's régime in Damascus would renew the United Nations mandate on the Golan Heights, which expires on November 30, automatically.

After the Arab Summit in Cairo which endorsed the Riyadh resolutions Egyptian and Syrian officials made it clear that the Palestinians would not endanger the Lebanese peace formula by provoking Israeli retaliation.

It is believed that Mr. Arafat may have given an undertaking to this effect as part of agreement on a wider strategy aimed at pursuit of a negotiated settlement in 1977, when the expected resumption of the U.S. peace initiative gets under way and the Geneva Conference is expected to resume.

Knesset row

Evidence of PLO tactics may have come from the number of guerillas actually allowed back to the Arkoub area. But more significant may be information reaching Israeli officials.

In the Knesset yesterday Mr. Haim Zadok, Israeli Minister of Justice, turned down a demand by the Right-wing Opposition Likud Bloc for action against "doves" who recently made contacts with PLO representatives in Paris.

Mr. Zadok said that the contacts were legally permissible so long as they did not violate State security abroad, although they were politically objectionable because they appeared inconsistent with the Government's unconditional opposition to negotiations with the PLO. This is a significant softening of the Israeli line.

It is known that influential moderates in the mainstream of the PLO favour a settlement based on establishing an independent Palestinian Arab State on the West Bank and in the Gaza Strip. Indeed last week Dr. George Habbash, the leading figure in the "Rejection Front," alleged that some elements in the PLO had opted for a peaceful solution.

This crucial issue will be debated in the Palestine National Council, due to meet in Cairo in December. It is expected to elect a new executive committee of the PLO.

Paris talks

From Left-wing Israeli sources it is understood that two meetings between well-known "doves" and PLO took place in Paris. In September Mr. Assam Sartawi, one of Mr. Arafat's aides, met with the former General Matti Peled, Israeli Army logistics chief in the June War; Dr. Ya'acov Arnon, ex-Director-General of the Treasury; Mr. Arie Eliav, former secretary-general of the ruling Labour Party; and Jossie Amitai, a member of the neo-Marxist political group Moked.

Three weeks ago Mr. Sartawi was joined in Paris by two unidentified colleagues for another meeting at which Mr. Peled and Mr. Arnon were again present. Accompanying them were Mr. Uri Avneri, Editor-owner of Ha'olan Hazeh (Israel's nearest equivalent to Private Eye) and Mr. Meir Pa'il, of Moked.

The original leaks in Israeli media about the secret get-togethers are said to have wrecked the chances of further contacts for the time being.

Other Middle East new, Page 7

£ in New York

—	Nov. 9	Previous
Spot	$1.6340-6350	$1.6150-6160
1 month	1.48-1.43 dis	1.51-1.45 dis
3 months	4.37-4.32 dis	4.42-4.37 dis
12 months	14.05-13.95 dis	14.30-14.20 dis

CBI to oppose rises in indirect taxation

BY ADRIAN HAMILTON

THE Confederation of British Industry has decided to back expenditure cuts, but oppose rises in indirect taxation which could raise prices and deflate home demand.

In a speech to-morrow, Mr. John Methven, the CBI's director general, is expected to argue vigorously against rises in value-added tax or excise duties and repeat the confederation's call for a £3bn. cut in public expenditure by 1980.

The CBI's statement comes after a similar call by Sir Ronald McIntosh, director general of the National Economic Development Office, which yesterday brought fierce reaction from the unions.

The TUC economic committee, expressing "grave disquiet" over Sir Ronald's speech earlier this week, declared that "his call for early and substantial cuts in public expenditure and his apparent acceptance of yet more unemployment is not supported by the TUC and cannot be taken as representing the view of either the TUC or the full National Economic Development Council."

Mr. Bernard Dix, assistant general secretary of the National Union of Public Employees, called for Sir Ronald to resign while Mr. Geoffrey Drain, general secretary of the National and Local Government Officers' Association said he was "appalled" at the speech.

The decision of both Sir Ronald and the CBI to make major statements on economic policy at this time, as well as the immediate opposition voiced by the unions, reflects the extreme sensitivities aroused by the current economic situation and the Government's consideration of an autumn package.

The Government yesterday ignored TUC appeals and reduced its subsidies on butter and cheese. The only consolation for the TUC economic committee, after a 90-minute meeting with Mr. Roy Hattersley, Prices Secretary, was the prospect of maximum price levels being set in certain key areas of family expenditure. Back page.

Faced by a rapid fall in business confidence, and a faltering in the economic recovery, the CBI, like Sir Ronald, has become increasingly anxious that the Government should take urgent action to reduce its deficit.

Behind the public speeches, however, there are indications that both industry and the unions—and, to an extent, Ministers as well—are in agreement on the need to avoid action which would intensify the trends to high inflation, low growth and rising unemployment already predicted for next year.

Both sides seem to be particularly worried about the impact of rises in VAT.

One corollary of this could be a greater acceptance by the union leadership of the need to make at least some cuts in public expenditure, provided they are concentrated on areas such as further nationalisation, road programmes and subsidies, where action might have the least resource impact.

Their opposition to the deflationary impact of higher indirect taxes on their own also raises again the question of whether the Government may consider tying such increases, however informally, to a degree of reduction in direct taxation in the Budget next spring.

Editorial comment Page 18

Kodak instant-picture ban lifted

BY A. H. HERMANN AND IAN HARGREAVES

A THREAT to about 5,500 jobs was lifted yesterday with Kodak's successful appeal against a ban on its sales of instant-picture cameras and films in Britain.

Polaroid, which pioneered instant-picture cameras, was granted a High Court injunction in August preventing Kodak from marketing its products until a patent-infringement action could be heard. It is this temporary ban which has been lifted.

The result of the decision is likely to be a two-year respite for Kodak before the main action is heard. Polaroid was refused leave yesterday to appeal to the House of Lords. It was stated in court by counsel for Polaroid that the main action might not be completed for eight to ten years, by which time the patents would have expired.

Kodak said last night that it was delighted with the decision, which removed the closure threat from its losing Stevenage camera plant.

More important, the company was in a position to proceed with development of its 550-acre "campus-style" site at Annesley, Notts., where building should have started this autumn. About 4,000 jobs will be created at Annesley, and 1,500 preserved at Stevenage.

Kodak's development of the site is to be spread over 25 years, and is dependent on the company's general progress as well as the instant-picture market.

Before the first phase of the Annesley development is complete Kodak will import instant film and instant cameras. They are already available in the U.S. and Canada.

Last night the company was ruling out suggestions that competition in the UK market would bring prices for the product down, preferring to concentrate on the argument that the market would be stimulated to the benefit of both Polaroid and Kodak.

Kodak has spent £400,000 on instant-camera assembly lines at Stevenage, but has not made public a figure for its total UK investment in instant photography.

The dispute between Kodak and Polaroid concerns a new "integral" system from Kodak which produces instant pictures without the need to peel apart the film pulled out of the camera.

The three appeal judges agreed that there was no serious risk of Kodak driving Polaroid out of the U.K. market or causing irreparable damage to its business.

There was no reason to fear that Kodak could not meet damages if any were awarded to Polaroid in the main trial.

Continued on Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 13pc 1990	£91	+ ⅜
Treasury 15¼pc 1985	£98⅞	+ [illegible]
Alexanders Discount	180	+ 15
Anglia TV "A"	77	+ 5
Beecham	322	+ 15
Brown (J.)	90	+ 5
Daily Mail "A"	180	+ 7
Decca "A"	190	+ 8
Desoutter	107	+ 7
Development Secs.	500†	+ 83
[illegible]	124	+ 5
GUS "A"	114	+ 6
Great P. Estates	272	+ 6
Grindlays	52	+ 5
Harrisons & Crosfield	412	+ 25
Haslemere Estates	125	+ 7
Hawker Siddeley	392	+ 12
[illegible]	296	+ 11
Land Secs.	118	+ 3
Lucas Inds.	180	+ 5
Mendip	63½	+ 10½
Morris (H.)	132	+ 9
Reckitt and Colman	306	+ 11
Rowntree Mackintosh	178	+ 8
Sainsbury (J.)	118	+ 6
Smith (W. H.) "A"	272	+ 10
Taylor Woodrow	293	+ 10
Thomson	226	+ 6
Tube Invs.	276	+ 6
Unilever	402	+ 18
Shell Transport	388	+ 6
Anglo American	252	+ 12
Cons. Gold Fields	147	+ 6
Kinross	250	+ 20
Pres. Steyn	715	+ 75
Randfontein	£23⅜	+ 1⅛
St. Helena	£12⅛	+ 1
Welkom	225	+ 25
West Drie	£20	+ 1⅛
Western Areas	180	+ 22

† Price at suspension

FEATURES

ON OTHER PAGES

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LOMBARD

Is the national debt too small?

BY ANTHONY HARRIS

BRITAIN, AS officials of the Bank of England are rightly fond of pointing out, has an abnormally high national debt in relation to the national income. This has always created problems in debt management, since both the financing of the normal Government deficit which has built up this debt, and the refinancing of maturing bonds, are far bigger factors in the London financial market than similar operations are in other markets. Indeed, I have heard some Bank of England men argue that this fact is at the core of the British Disease, and of our present problems: it has always tended to make British interest rates rather high by international standards, and has recently made the financing of the enormous deficit which goes with rapid inflation virtually unmanageable.

I cannot say that I find this a wholly persuasive argument. For one thing, the result of inflation up to about 1975 was a drastic reduction in the dead weight of the national debt—a measure of the steady impoverishment of its holders. This, of course, has proved a problem in itself: the troubles of some company pension funds have helped to inhibit industrial investment, and according to one version of a fashionable theory, the need to rebuild financial assets (and not just liquid ones) may have helped to explain the enormous rise in private saving which has thrown out the Treasury's economic forecasts so drastically, and forced the Government into ever greater deficit in an effort to prevent employment collapsing.

Conclusions

When you look at it this way, something possibly unexpected emerges: for if the recession and the size of the Government deficit are explained by the effort of private people to rebuild the eroded provisions they had made for old age, then one can say that our immediate dilemma arises out of the fact that the national debt is at present *too small*. The Government, through its deficit, is rebuilding the stock of financial assets *because there is a demand for them*. This may sound like an outrageous paradox, but it is in fact perfectly consistent with the ordinary conclusions of commonsense about our dilemma.

It suggests, for example, that our troubles will only end when inflation is drastically reduced, so that financial assets are not constantly melting away. It also suggests, interestingly enough, that the official reluctance to issue any form of real-value debt, indexed or otherwise, on the grounds that this would in the long run increase the debt burden, is worse than short sighted: it is perverse. If the demand for financial assets is an important influence on the economy—and all recent experience underlines its importance—then persistent refusal to satisfy that demand only prolongs the problem. The aim, on the contrary, should be to get the real value of the funded debt up to what the market demands fairly quickly, and so bring an end to abnormal saving, abnormal financial strains and the abnormal Government deficits which go with them.

Up the value

This leaves the authorities with two dilemmas. A failure to fund leaves a level of liquidity which is potentially explosive, and might at any moment start a speculative boom in some asset or another—land or gold or commodities—even if it is unlikely to get straight into consumer spending. At the same time the level of interest rates generated by a combination of high past inflation and overstrain in the financial markets prevents industry becoming a borrower again, thereby boosting growth in real terms, and in financial terms helping to meet the demand for assets. An attempt to meet the financial demand through continued or even growing Government deficits will only make the funding and industrial problems worse.

The problem looks insoluble, then. But one possible solution is suggested by the analysis itself: simply to write up the value of the national debt. Holders of bonds (but not bills or cash) could be offered a scrip issue restoring the real value of their holdings (including accrued interest) to, say, their 1974 values. The resultant boom in gilts and the fall in interest rates and abnormal saving would more than offset the cost. Can it be that honesty is the best policy?

RACING

BY DOMINIC WIGAN

Royal Marshal top class

TIM FORSTER and Graham Thorner, successful at Worcester yesterday with Hamswell and, possibly, robbed of a double when poor visibility set in, denying Rashwood an opportunity in the closing event, should maintain their fine run at Wincanton this afternoon through that top-class chaser, Royal Marshal II in the Badger Beer Chase.

Although this bold jumper has not won a race since beating Iceman by 10 lengths in the Hennessy Cognac Gold Cup of 1974, Royal Marshal II has by no means lost his form as he showed when failing by only four lengths to concede the smart Even Up 12 lbs at Lingfield and when chasing home Captain Christy and Bula in the King George VI Chase at Kempton on Boxing Day.

On his only previous start this season the Letcombe Basset nine-year-old put up a particularly encouraging display when finishing third behind April Seventh and Go-Over in the Terry Biddlecombe Challenge Trophy over to-day's 21-furlong course and distance, in spite of losing a good deal of ground at several fences through over-deliberate jumping.

Although he has a formidable steadier of 12 st. 2 lbs., I expect Royal Marshal II, who ran away with this race two years ago when giving Ebony Rock 15 lbs and a 25-lengths beating, to be a clear-cut winner. The in-form Boom Docker, 10 lengths winner from Ronson Avenue, to whom he was conceding a good deal of weight, at Bangor last month, may give Royal Marshal II most to do.

WINCANTON

1.15—Valiant Charger
1.45—Tree Tangle
2.15—Royal Marshal II**
2.45—Village Theif*
3.15—Closed Circuit***
3.45—Jackadandy

SOUTHWELL

2.00—Napoleon Brandy
2.30—Blabbermouth
3.00—Atmanl

For many West Country racegoers the most interesting feature of the afternoon will be the reappearance of that top-flight five-year-old Strombolus, among the runners for the Remembrance Poppy Handicap Hurdle.

Peter Bailey's ex-Irish gelding has not won since beating Snow Flyer, from whom he was receiving 7 lbs, by four lengths in a novice event at Lingfield in March, but he is reported to be ready to do himself full justice and is sure to be many people's choice.

However, one whom I just prefer is the lightly-weighted Closed Circuit, a useful performer two seasons ago and said to be showing signs of a return to form. The 24 lb he receives from Strombolus could prove decisive.

Richard Head, who trains Closed Circuit, could also be on the mark half an hour earlier through the ultra reliable Village Thief in the Red Maru Handicap Chase. This tough six-year-old, successful over two miles here in April, has been in fine form of late, scoring at Worcester and again on this course, when comfortably disposing of Captain Clover in the 26-furlong Otterborne Chase.

Last time out his winning run came to an end when he went down to the leniently treated Zarawyn at Leicester. However, his performance there was useful, considering the weight he was attempting to give the winner, and I take him to return to winning form at the chief expense of the talented but somewhat unreliable Border Mark.

SALEROOM

BY ANTONY THORNCROFT

Record for two British artists

THERE WAS a good sale of modern British drawings, paintings and sculpture at Sotheby's yesterday which produced auction record prices for two artists. Over at Sotheby's Belgravia another auction high was established when Martins Forrest paid £5,200 for an art deco figure of a dancer by Demetre Chiparus. The previous best for a Chiparus was £4,000, set in July.

The artists to fix records were Montague Dawson, Frost and Reed paying £13,000 (plus the 10 per cent. buyer's premium on all lots) for his sailing ship scene "Chasing the Slaver." (The old auction record was £8,700); and Christopher Nevinson, whose war picture "The Road to Ypres" was bought by the Fine Arts Society for £8,500.

The top price in a sale which totalled £174,821 was the £16,000 for a 1909 painting by Munnings, "Huntsmen and Hounds Crossing a River.'

The Belgravia art nouveau and art deco auction totalled £119,480. The highest price was the £6,500 for a "Domino" clock designed in 1917 by the famous Scottish artistic pioneer, Mackintosh. A Tiffany dahlia lamp sold for £4,400.

In New York on Tuesday Sotheby-Parke Bernet sold photographs for £123,649. The sale was full of surprises, some fancied items doing badly while a price of £11,585 was paid for a scrapbook by the celebrated photographer Steichen. The estimate had been about £500. On the other hand, the 12 prints of Mrs. Cameron's "Iylls of the King" sold below forecast at £2,591.

Christie's was busy in London and Geneva. At King Street the first auction for some years to concentrate entirely on Japanese prints and paintings was encouragingly successful, totalling £69,055. The top price was £4,500 from a private buyer for a print, "Ohashi, Sudden Shower at Atake," one of a group of a hundred views of Edo.

The auction of Indian, Tibetan and Nepalese works of art showed some improvement in prices over the last sale, with a total of £57,384. Two of the top lots were bought in, but a 16th-century silk Nor Pa Thanka, showing Hindi dieties did well at £3,200 to D. Newman, and an 18th-century Tibetan Thanka made £1,500.

Meanwhile in Geneva on Tuesday night Christie's held its big autumn silver sale, and brought in £876,205. A pair of Louis XV candlesticks, by the celebrated silversmith Thomas Germain, sold for £73,750, and a small statue of a bear by Hans auf der Burg of about 1600 made £37,500. A large silver-gilt coffee pot made for Napoleon by Martin Guillaume Biennais fetched £31,250.

Also active in Geneva on Tuesday night was Phillips, which held a jewels sale totalling £253,000, the highest sum from a single auction in the firm's history. The best price was £37,600 for an emerald ring flanked by diamonds. A pair of emerald and diamond earrings went for £27,500.

At Christie's South Kensington there was a high price of £4,600 for an Edwardian breakfront bookcase; Henry Spencer of Retford, at a house sale, disposed of a 19th-century Russian bronze of a sleigh attacked by wolves for £1,250; while the best price at the Glendining coin sale was the £1,600 from Chelsea Coins for a gold noble of Philip the Bold of Burgundy.

Inflation, nationalisation cast biggest shadows

BY ERIC SHORT

CONTINUED inflation at historically high levels over the next 12 to 18 months was predicted by Mr. Daniel Meinertzhagen, chairman of Royal Insurance, yesterday at the first day of the Financial Times World Insurance Conference, in London.

He said that inflation would continue to pose difficulties for the rating of new business and the settlement of claims within the insurance industry.

Depressed stock markets, with a slower than expected rate of economic growth and high interest rates, would continue to impose limitations on the capacity of the insurance market and the solvency base from which new insurance business could be written.

These problems were compounded by the continued decline in the value of sterling, but he was confident, that there was now a greater understanding of the problems facing the insurance industry and of the calamitous consequences that could come from insolvency in any important part of the insurance market.

The industry would continue to provide the services demanded from it, in spite of its problems, and would continue to make a vital contribution to the country's balance of payments, said Mr. Meinertzhagen.

Nonetheless, its effort here, especially with overseas earnings, had already been severely compromised by the Labour Party's nationalisation proposals. The prospects of Government control over a sizeable sector of the London underwriting market and over the investment of policyholders' funds had introduced a new element of uncertainty that was bad both for the industry and the country.

Challenge

More was being demanded from the professional risk-taker than ever before, Mr. Bernard F. Combemale, vice chairman and senior vice president of INA International, claimed.

The great challenge facing multi-national insurers to-day was to support the continued growth of world business during the difficult times that lay ahead. Multi-national insurers were being asked to support this growth and facilitate world trade, but in the face of threats of nationalisation and more restrictive regulations throughout the world.

The insurance industry would have to break fresh ground creating new products to serve the rapidly changing insurance needs of industry and commerce. More insurance professionals capable of working on a world-wide level needed to be trained.

Above all, the industry would have to find new sources of capital to finance growth and strengthen global insurance networks in order to underwrite the massive development projects under construction throughout the world.

There was a need for better global reinsurance mechanisms. No one could now write business without taking into account international monetary and tax problems.

Mr. Combemale highlighted the problems of inflation as it affected the insurance industry, especially the climbing costs of court awards in the U.S.

It was causing the industry to place more emphasis on risk management rather than risk-taking, and many companies were refusing to accept certain liability and malpractices because of the open-endedness of the resulting claims.

Mr. David Donald, general manager of Standard Life Assurance, dealt with the role of world insurance funds as a source of finance for developing industry.

He said that the funds could be used to any material degree only within the countries where they had been gathered because of the prime responsibility of investment managers to the policy-holders whose money it was.

There was little scope for British insurance funds to be invested outside the U.K.

Mr. Donald attacked recent criticism of U.K. financial institutions for not supporting investment in British industry. Most of it was unjustified; there was no lack of willingness on the part of insurance funds to assist developing industry. What was disturbing was the lack of demand for finance

FINANCIAL TIMES
World Insurance
CONFERENCE

The supply of capital, like that of labour, responded in the usual way to the returns attainable. The prospect of higher profits would encourage more investment in industry, but if that prospect was missing and if profits were subject to heavy taxation, the demand would not be met.

He listed the support given by insurance and pension funds to industry through the primary market in the amount of rights issues taken up, but pointed out that equities were not the only form of capital raised by industrial firms.

Financial institutions either directly or through the banking system, had provided industry with those other forms of capital—short-term credit, long-term fixed interest or property.

Mr. Mark Weinberg, managing director of Hambro Life Assurance, said that the U.K. life assurance industry had evolved over the last five years from one run on cosy and traditional lines into one to which modern management techniques were being applied.

Efficiency

Much more effort was being devoted to efficiency and competitiveness and more attention given to concentrating the marketing of life assurance to fully-trained, full-time professionals.

Life companies were becoming more cost conscious and the provision of guarantees on life policies should be restricted. Many of these were meaningless and inhibited freedom of investment.

The life assurance industry had successfully adapted to the strains imposed on it by the financial upheavals of 1974-75 and was now better placed tl ever to serve the public.

Sir Henry Mance, chairr of Willis, Faber and Dur (Agencies) and a former ch man of Lloyd's, spoke about future of the individual un writer. He said there were f major factors which could inh the ability of an individual deciding to accept and rate insurance risk.

Mass marketing and the of computers tended to imp a "rule book" solution to unc writing.

Money management of in: ance funds and the use of c mittees carried the dangers a joint underwriting decis being made for the wr reasons.

The growing importance investment and cost savi could impose conditions on acceptance of business related to the risks involv while a committee decision usually a compromise.

Sir Henry urged underwri to be willing to accept the : themselves in making an un writing decision, although t should not hesitate in get all the facts and seeking adv

The problems of provic special insurance cover for m national corporations were ‹ sidered by Dr. Fabio Padoa, v chairman of Assicuraz Generali, Trieste.

He said that the underwri and sales techniques applic to the requirements of sr and medium-sized compa were not suitable for suppl the tailor-made products requ by multi-nationals.

Package

In general they require single package policy to pro the cover. Insurers had to fo about the traditional separa of contracts by class of busi or by country.

Dr. Fathi Mohamed Ibral chairman of MISR Insura dealt with the insurance po tial in the Arab world, wl rapidly growing industrialisat thanks to oil revenues, off good prospects. Prem income, now approacl US$1bn., was expected to tr in five years.

The national insurance c panies in the Arab world loc to the world insurance ma for active co-operation in growth, and that could bes achieved through the provi of reinsurance facilities.

Mr. Orio Giarini, ger secretary of the Associatioı Internationale pour l'Étude l'Economie de l'Assurance Geneva, dealt with the im of technology's diminis returns on risk and insur: There was a strong move tow larger and new markets insurance industries and tow greater concentration of management.

Technological advance creating a situation where t were risks of a catastr There was a strong tendenc risks to increase more ra than the general growth of economy, resulting in a measure of under-insurance

Mr. Randle Manwaring, chairman of Midland Bank surance Services, discussed growing association of ban and insurance. The provisio insurance services by banks now gone far beyond the l bank manager acting as a time insurance agent to sur ment his income, he said. It now a full professional opera using the bank branches marketing outlets.

Radio

† Indicates programme in black and white.

BBC 1

9.41 a.m. For Schools, Colleges. 12.55 p.m. On The Move. 12.45 News. 1.00 Pebble Mill. 1.45 Barnaby. 2.00 You and Me. 2.14 For Schools, Colleges. 3.53 Regional News (except London). 3.55 Play School. 4.20 Astronut. 4.25 Jackanory. 4.40 Blue Peter. 5.05 John Craven's Newsround. 5.15 The Oddball Couple.
5.40 News.
5.55 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 Sykes.
8.10 Kojak.
9.00 News.
9.25 The Big Time.
10.15 Omnibus, Art—to a Degree? A film journey through the world of art and design education.
11.20 To-night.
11.55 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—5.15-5.40 p.m. Bilidowcar. 5.55-6.40 Wales To-day. 6.45-7.10 Heddiw. 11.55 News and Weather for Wales.

Scotland—9.41-10.01 a.m. For Schools: Around Scotland. 5.55-6.45 p.m. Reporting Scotland. 11.55 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.45 Scene Around Six. 11.55 News and Weather for Northern Ireland.

England—5.55-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

11.00 a.m. Play School.
6.35 p.m. Open University.
7.00 News on 2 Headlines.
7.05 Your Move.
7.30 Newsday.
8.05 Diary of a Village.
8.35 The Book Programme introduced by Robert Robinson with Patricia Highsmith.
9.00 The Hollywood Musical: "Singin' in the Rain," starring Gene Kelly.
10.40 Late News on 2.
10.50 Family Portrait.
11.20 Closedown: Peter Jeffrey reads "Song" by John Donne.

LONDON

9.30 a.m. For Schools. 10.40 Manfred. 11.00 For Schools. 12.00 Animal Kwackers. 12.10 p.m. Rainbow. 12.30 Women Alone. 1.00 News at One. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 South Riding. 3.20 Heart to Heart. 3.50 Emmerdale Farm. 4.20 The Little House on the Prairie. 5.15 Bless This House.
5.45 News.
6.00 To-day.
6.35 Crossroads.
7.00 Thursday Adventure Film: "Will Penny," starring Charlton Heston.
9.00 This Week.
9.30 NUTS.
10.00 News.
10.30 The Crezz.
11.30 Phyllis.
12.00 What The Papers Say.
12.15 a.m. London Scene.
12.25 Close: Brian Rix reads a poem by S. J. Forrest.

All ITV regions as London except at the following times:

ANGLIA

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

... Report West. 6.15 Report Wales. 6.30 Happy Days. 7.00 The Adventure Film: "The Hunters," starring Robert Mitchum. 10.30 The Leaning Virgin of Albert. 11.00 The Thursday Mystery Movie: 'Columbo.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau ...

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 247m

RADIO 2 1,500m and VHF

RADIO 4

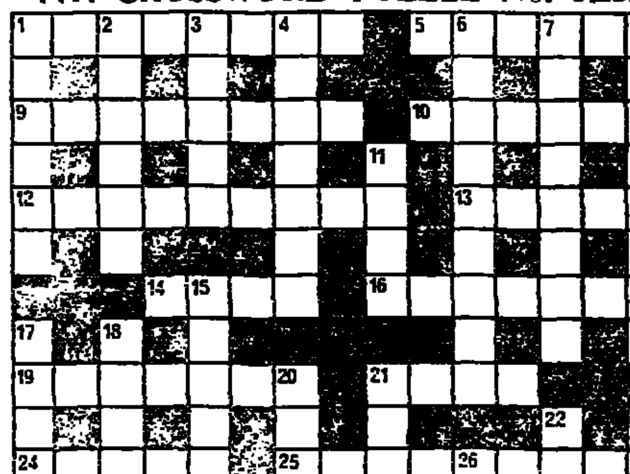
RADIO 3 464m, Stereo & VHF

BBC Radio London 206m and 94.9 VHF

London Broadcasting 261m and 97.3 VHF

Capital Radio 194m and 95.8 VHF

F.T. CROSSWORD PUZZLE No. 3,232



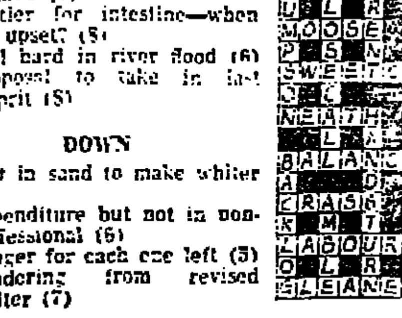
ACROSS

1 B Flat wind instrument or missile launcher . . . (8)
5 . . . and the way to call one of four on the fiddle (6)
9 The next real upset is outside (6)
10 Gain from professional in suitable condition (6)
12 Fish the French turn brown gives a quack (9)
13 Southern impulse to become a swell (5)
14 A note right at a distance (4)
16 Soldier not generally known (7)
19 A mother insect is obstinate (7)
21 Legend from South African state (4)
24 Foreigner with a legal right (5)
25 After that time depend confidently and frankly (9)
27 Frank is capable and performed (6)
28 Settler for intestine—when it's upset (5)
29 Pull hard in river flood (6)
30 Proposal to take in last culprit (8)

DOWN

1 Left in sand to make whiter (6)
2 Expenditure but not in non-professional (6)
3 Danger for each one left (5)
4 Rendering from revised psalter (7)
6 Riding eruption in article (9)
7 It's very unpleasant in bracken with a learner (8)
8 Collected gun here and died (6)
11 Pans around for game (4)
15 Ostentatiously displaying female relative in dance (9)
17 Weighed what is reasonable (8)
18 Reasonable portion of food one left (8)
20 Team leader has to request a job of work (4)
21 Despatch for a farewell party (4-3)
22 Depended upon priest appearing in red (6)
23 Boy's terrified holding fish (6)
26 Elicit what's all right in woman (5)

SOLUTION TO PUZZLE No. 3,231



Record Review

Good Queen Bess

by RONALD CRICHTON

...ini Elisabetta, regina ...nghilterra. Caballé, Master-...i, Carreras. Benelli/LSO/ ...nbrosian Singers/Masini. 3 ...ords in album box. Philips ...3 067. £7.45

...in La fedeltà premiata. ...lentini, von Stade, Cotrubas, ...ndy, Alva, Titus, Mazzieri/ ...isse Romande Radio Chor./ ...usanne: Chamber Orch./ ...rati. 4 record in box. ...ilips 6707 067. £9.90.

...e gramophone's role in fill-...in corners of the operatic ...tory becomes increasingly ...rtant when the economic ...tion discourages major ...l houses from enterprise and ...tens to clip the wings of ...ersity and fringe companies. ...are two excellent examples ...Philips, interestingly cast, ...performed and recorded, of ...rkable but unfamiliar works ...great composers. Rossini's ...betta, regina d'Inghilterra ...Haydn's La fedelta premiata ...ot unknown (both have been ...in recent years at foreign ...als and in London—at Cam-...of course) but under present ...nstances they are unlikely, ...ver much they deserve it, ...come repertory works. Now ...an be savoured, and greatly ...ed, at home.

...sabetta (1815) was Rossini's ...opera for Naples and for ...lla Colbran, who later be-...his first wife. His approach ...he usual mixture of circum-...on (taking careful account ...San Carlo Theatre's vocal ...orchestral resources) and ...tic frugality, with recourse ...f-borrowings. The Overture ...revised version of the one ...ly written for Aureliano in ...ra. It was to do further ...e for Il barbiere. Heard ...it the prejudice of famili-...it will do just as well for ...real romance as for the ...y imaginary Seville of ...narchais—attentive listen-...will discover more music ...n Elisabetta to reappear in ...arbier. Since Naples at the ...ad no good bass available, ...ole of the disloyal Norfolk ...o be allotted to another ...The presence of two lead-...enors and one subsidiary ...Guglielmo, Captain of the ...d), lends a special lightness ...score.

...plot concerns the return ...a campaign of Elizabeth's ...ite, Leicester, who has ...up a Scottish waif and ...ly married her. Matilde ...her young brother, Enrico, ...accompanies her) are in ...children of Mary Queen ...ts, farmed out on an oblig-...epherd. By the device of ...ly announcing that Leices-...r Ley-chester, in the Italian ...nciation) is to become her ...t, the Queen forces him ...lose his position and vents ...ge in a brilliant act one. In the end she sees sense, ...es Leicester and Matilde ...a show of regal clemency ...as sweeping as that dis-played by Mozart's Titus, and decides (in the second act finale) to concentrate in future on the well-being of her realm.

For lovers of Rossini the score of Elisabetta is peculiarly fascinating. The tone is light, but not frivolus. There is no attempt to turn a romance into tragedy, the emotional weight is less than in the opera semi-seria, La gazza ladra, yet there is much beautifully worked music with sly turns of phrase and harmonic touches to offer flashes of delight. There are unexpected hints of early and middle-period Beethoven, in the Archducal tune, for instance, that introduces act 2 and is worked through the opening scene's recitatives, or the introduction to the dungeon scene, leading to a striking and beautiful passage with flute and cor anglais (Rossini's scoring more than once has a Haydnish inventiveness) and a fine soliloquy for Leicester sung half-waking, half-dreaming.

The conductor, Gianfranco Masini, is sensitive and sympathetic in the delicate music: the more conventional pages sometimes need a firmer crack of the whip. If the London Symphony Orchestra had played for the revival last year at Arles (as part of the Aix Festival), the French Press might have been less dismissive. As in the original cast in Naples, there are two outstanding Spanish singers. To the title-role, Montserrat Caballé brings a generalised grandeur that neither suggests the real Elizabeth nor brings the operatic one to more than flickering life. Only the hard notes above the stave convey royal fury, and not until "Bell'alme generose" on the last side does Caballé reach her finest form. Here she is melting. Earlier some of the florid singing is almost casual—one wouldn't mind so much if it wasn't easy to imagine how brilliantly she could do it.

Valerie Masterson made a great hit as a late-replacement Matilde at Arles. Her more girlish timbre contrasts well in the recording with Caballe. The effect is pleasing, good enough to make one want more assurance and more colour—perhaps it is the dim Italian that leaves a sense of potential not quite realised. As Leicester, Jose Carreras is one of the few tenors to-day who can strike a soldierly note and at the same time be precise, clean and agile in the florid writing. A most encouraging performance. Norfolk (the Garcia role) is taken by Ugo Benelli, whose singing makes up in intelligence and style what it now lacks in sweetness. The duet between the two tenors, in which martial phrases are passed ding-dong from one to the other, goes well. Even with reservations about the sopranos, this is a distinguished recording of a desirable opera.

Haydn's position in the history of the symphony and string quartet is impregnable. But for the greater part of his career he was actively concerned with opera, writing a large number of his own and directing an even larger number by other composers, for the princely theatre at Esterháza. Tucked away in the marshlands of Hungary he worked in conditions that might have seemed Elysian to a man like Rossini, condemned to the rough and tumble of public opera houses in the large cities, in a world of competing and speculating managers, temperamental singers and a fickle paying public, greedy for new sensations.

In more ways than one the isolation of Esterháza was a disadvantage, accentuating Haydn's limited ability, compared with Gluck or Mozart, to draw characters in the round or to sense by instinct the right dramatic pace for a scene. These are qualities granted to composers (say, Massenet) without a quarter of Haydn's musical gifts. But their absence was clearly not fatal in a private opera house with no serious professional rival nearer than Vienna, and where the performances were heard by a small community far from city life, without direct means of comparison. Their absence does not matter much on the gramophone, where one may realise that Haydn's richest arias are often too long for the dramatic situation without sharing the frustration such procedures lead to in the theatre.

Haydn's life as opera director was not peaceful. La fedeltà premiata (1780, and not to be confused with the earlier L'infedeltà delusa) was written for the new theatre built in his grounds by Prince Nicholas Esterhazy to replace the one burnt down the previous year, when among other things much precious Haydn material was destroyed. There were delays (agonising to those concerned but nothing compared to the delays suffered by new building projects nowadays) but somehow the new house was finished—Robbins Landon tells the story in the album leaflet—and with it Haydn's new score, dripping with musical invention.

The text was a "drama pastorale giocoso" by Lorenzi, set by Cimarosa as L'infedeltà fedele. The story is a pastoral extravaganza set in ancient Cuma — a sort of As You Like It crossed with elements (sacrifice and purification) from The Magic Flute and even from The Midsummer Marriage. There is a streak of burlesque — one of the sopranos wrestles with a wild beast, a baritone takes prudent refuge up a tree, at one moment the stage is invaded by satyrs. One of the merits of this performance is the polished execution of the recitatives (not only by the soloists but by the continuo players, Michel Perret being the harpsichordist). Much of the dialogue is genuinely entertaining.

The recording was made in association with Radio Suisse Romande and the European Broadcasting Union. Dorati conducts the Lausanne Chamber Orchestra and a carefully picked international cast. The Swiss players hardly rival the Philharmonia Hungarica, heard in Dorati's complete set of the Haydn symphonies, but the orchestral part is efficiently done, with stylish wind. String tone is thinnish. Needless to say, Haydn uses a small orchestra with infinite resource: from time to time there are touches like the high horns at the end of the first act to bring a swift reminder of the delights of the Esterháza symphonies.

The main couple, Celia and Fileno, who narrowly escape being sacrificed to Diana, are sung by the Italian Lucia Valentini and the Dane Tonny Landy—both unfamiliar, both welcome. She is a contralto of fine quality, slightly overtaxed by her demanding first aria; but in general more than promising. He is a light tenor of charm and distinction. Both have superb music. Ileana Cotrubas as the wayward nymph Nerina provides another of her winning soubrette portraits. Except that she doesn't quite convey the absurdity of Amaranta ("a vain and arrogant lady"), Frederica von Stade carries off the vocal honours in the face of stiff competition.

Amaranta's brother Lindoro is taken by the ageless Luigi Alva. As the randy priest Melibeo, a combination of Sarastro and Monostatos, Maurizio Mazzieri begins poorly but improves rapidly. Alan Titus, an American high baritone of conspicuous talent, sings the libidinous but cowardly Count Perrucchetto. (Mr. Titus was to have sung Pelléas at Glyndebourne last summer—that opera house is the ideal modern setting for La fedeltà). His apostrophe to the dying boar is one of the most enjoyable numbers in a set which should give exceptional pleasure. This is the first part of a Haydn opera cycle—one awaits the remainder with impatience.

Waddington Galleries

Early Hockney

by WILLIAM PACKER

Hockney: Colonial governor (1962)

David Hockney has achieved, well before his 40th birthday, the kind of celebrity that moves The Book Programme to devote an entire edition to him on the occasion of the publication of his auto-biography.

It is, of course, a mark of our cultural priorities that his book rather than his work should get him such exposure; but we must not mind too much. We are used by now to television being in general the most non-visual of media, for it can only reflect the capabilities and interests of those responsible for the programmes. When they hear the word "painting," they reach for their colour-supplements.

But Mr. Hockney has impressed himself upon their minds at least, if not their imaginations; and their ministrations help him to reach many more people besides, who never go near a gallery, nor read a book. He is famous simply for being himself, and thus outstrips all his contemporaries, better known even than Francis Bacon or Graham Sutherland, Henry Moore perhaps his only peer.

Hockney's ability has never been in doubt. His gifts as a student were evident, as his fellows are quick to testify: and the disciplines of academic draughtsmanship he acquired then have proved to be of great strength. But talent, no matter how precocious, is not always born to be fulfilled; and any fair review of his work must leave a cloud of doubt hanging in the air.

It is most opportune, therefore, that the Waddington Galleries, in association with Kasmin, should be showing us at this time a good selection from his work of the early 1960s, when he first gained notoriety of a kind, and then built upon it a firmer and more lasting reputation. We are shown in fact that crucial transition, from enfant terrible of the Royal College, to the darling of London. This extremely interesting and enjoyable exhibition remains on view until November 27.

The physical attractiveness of the work is now obvious, and the wit that informed it and the sheer panache of its execution. The intelligent, humorous and quirky line, the feverishly relished crayoning-in, the pretty colour, the mocking cleverness of the ideas, all bespeak a preternatural sophistication. At the time we first saw the work, the anti-academic stance of much of it seemed a most important feature and added a mischievous gloss to our enjoyment of it; but even then it did not mask Hockney's extraordinary graphic facility.

Now, with hindsight, we can see how strong the thread is that leads through to the work of more recent years, in particular so much of the etching, the illustrations to Grimm, for example, and the spidery pen drawings of his friends.

The Entertainment Guide is on Page 30

Hockney is a natural, possibly a great illustrator. The literary element in his work has always been obvious, indeed central, the pivot on which it has turned. Stimulated by the work of others, his response is original and enlightening. Or it may be the ideas of Modern Art, the ideas of history or criticism, that move him. And without them he must fall back on his facility and his charm.

Here we see a roomful of exquisite doodles and toys, imaginative and engaging conceits. They are so light we hardly know they are there. The jokes, the wryly elaborate and in fact defensive titles are what we remember.

The latest work in the show is well known, the painting of two men in a swimming-pool, their naked behinds just clearing the water. It is a clever, most knowing picture, and offers us an important clue. The description of the water is not a painterly one, but depends upon an entirely graphic device, of which any designer would be proud. The effect of the curlicues is striking but superficial, all on the surface and nothing profound.

David Hockney is important to us simply because he is so successful in the wider world. He teases, as he always has, with glimpses of power and authority that he has yet to exercise.

★

As for the book, David Hockney by David Hockney (Thames and Hudson, £10. 312 pages) is something of a curiosity. A most attractive and intriguing publication, it is crammed with excellent illustrations that by themselves provide an exhaustive account of the artist's extensive oeuvre: indeed it is manifestly the picture book that Mr. Hockney himself likes to call it. But this implicitly puts the text, the autobiography, in second place; and the way it is written does nothing to modify this emphasis. What we have is transcriptions of Mr. Hockney's copious reminiscences uttered to the tape recorder, a long, discursive, formless description of his adventures, his travels, his convoluted private life, his work and his interests and his attitudes to art, and the world in general.

His life and times indeed make ideal browsing, by terms charming and juicy, always engaging: but the very method does encourage a certain superficiality. The consideration of what has been said, which is the natural corollary of writing it all down, is shirked. Sweeping generalisations, all right in conversation—when one might say "hang on; what exactly do you mean?" or in the television programme, in which profundity is hardly expected—are made and then skated over, time after time. And so, entertainment notwithstanding, of which there is a great deal, the book is just a shade disappointing.

Whatever happened to curtain-raisers?

by B. A. YOUNG

Mustapha Matura's Rum an Coca-Cola at the Royal Court runs for about an hour and a-half, including a 15-minute interval. Edward Albee's Counting the Ways, scheduled to open at the Olivier on December 6, plays for only a bit over an hour, though without an interval. I am here to say that neither of these gives value for money.

The National realises this, and proposes to charge only the price of mid-week matinees for the evening performances; but this courtesy doesn't meet the problem. You are going to the theatre from (say) somewhere in the Home Counties. Your railway fare for yourself and your wife amounts to about a fiver. After the play you will want dinner, which (if you are economical) will set you back a tenner. There may be incidental items like taxis. Saving a couple of pounds on the cost of the tickets really doesn't make all that difference.

In the good old days, when a play was too short to last through a reasonable evening, the management put on another play to make up the time. Commonly, these tended to be Chekhov's short farces, but even quite recently something more ambitious has been offered. When The Real Inspector Hound played at the Criterion, the programme was boosted by the inclusion of another new play, The Audition by David Baxter, and a very amusing play it was.

Now with the proliferation of lunchtime entertainment, the one-act play with a small cast is an item enjoying a prosperity such as it can seldom have known. Why should managements not add a good one-act piece to their programmes and give us a proper evening? At the Royal Court they have the advantage of Norman Beaton playing the lead in their play, and Norman Beaton has a theatre of his own, the Black Theatre of Brixton, which could surely have turned up something good by Jamal Ali or someone to get us into the right mood before the main play started. As for the National, they already have a stock of short pieces which they are using as "platform performances" on Tuesdays and Thursdays on the Lyttelton forestage at 6 p.m.

Book Reviews are on Page 14

Surely it should be feasible to augment the Albee evening with a performance of, for example, Handke's A Sorrow beyond Dreams, or Desmond Jones's mime programme.

The question of value for money is not the only question involved, though with the public moaning every day about the price of seats it does no harm to show oneself aware of it. But I believe there is a certain minimum duration that makes the theatregoer believe that he has had a significant experience. Tyrone Guthrie knew this well; "We must get it the right length," he would say. (Perhaps this explains how he put Tamburlaine into less than three hours.)

We must get it the right length now. Heaven knows there are enough incurable factors at work in the theatre that militate against the kind of luxurious entertainment the public appears still to prefer. Half-measure evenings are not, or should not be, among them. The right length is not less than 2 hours 30 minutes.

Council of Europe Art Exposition, 1977

Trends of the Twenties is the theme of the 15th Council of Europe Art Exposition which will be held in West Berlin next year. Jointly organised by the Senate of Berlin and the West German Government, the theme is to be portrayed in four exhibitions—"Dada Movement in Europe," "Constructivism in Europe," "Realism, Surrealism and Verism in Europe," and "Architecture and Living in Europe."

Lyttelton

The Force of Habit

by B. A. YOUNG

Even in a play about a circus you can be sure that an Austrian playwright will bring in Schubert's music if he can. In The Force of Habit (Die Macht der Gewohnheit) Thomas Bernhard takes the bull by the horns. There are five members of the travelling circus in his play, and their music-mad Ringmaster is determined that, when the juggling, the tightrope-dancing, the lion-taming and the clowning is over, they will crown the performance by joining in the Trout Quintet.

They have been rebearsing it for 20 years, making such changes in personnel as prove necessary to ensure a violin-playing juggler, a pianist lion-tamer, and so on; but by the end of the play they are not able even to begin a rehearsal, let alone complete one.

Having told you this, I have told you the whole content of the play, for Bernhard spreads his material very thin. The Force of Habit occupies the interior of a spacious caravan for two hours, including the interval. The first act is spent in defining the situation. An old-fashioned dramatist like Sir Terence Rattigan could have encompassed it in a few minutes with a simple telephone-call:

"Yes, this is Caribaldi's circus. No, I'm afraid Herr Caribaldi's nephew is having a little trouble with the lions. Mr. Caribaldi's here, but he's practising his 'cello. Well, one of his 'cellos. He has two, a Magini and the Ferrara. He will be leading us in the Trout later on. Perhaps you'd like to speak to the juggler. He's the violinist, but at the moment he's only looking for the resin Herr Caribaldi has dropped under the bed."

This is not Bernhard's way. He does not write dialogue but arias. When we first see into the splendid caravan Timothy O'Brien and Tazeena Firth have designed, Caribaldi (Philip Locke, disguised as Toscanini) is on the floor, looking for his resin, and the juggler (Gawn Grainger, affecting a touch of camp) stands by the door. Though he's able to get his boss back into his chair and take up the search for the resin himself, the juggler talks almost continuously for a quarter of an hour. When he has finished, Caribaldi takes over for ten minutes.

I do not mean that they do not sometimes exchange observations, or more likely repeat one another's observations (for Bernhard puts Browning's wise thrush to shame with his recapturing of phrases); but nothing in the nature of stichomythia, or even conversation, happens throughout the evening.

Bernhard is equally parsimonious of business. I have sometimes blamed Brian Rix for repeating a good gag too often, but compared with Bernhard he works with a classic economy. I lost count of the number of times the clown's red bowler hat fell off, with a precisely similar reaction from Caribaldi and his granddaughter (Brenda Blethyn), but it was certainly far more than its comic effect warranted.

If I have given the impression that The Force of Habit is tedious and unsubtle, I can only say that this was how it struck me. Elijah Moshinsky, the director, has made it funny whenever he has the chance. The first appearance of the lion-tamer (Warren Clarke) with blood on his singlet and bandages on his freshly-savaged arm is amusing, and so—the first time—is his painful reaction from the piano keyboard when he tries to play through his wounds. There is a pretty Feydeauesque moment as Caribaldi winces at the clown's breath when he is helping him to tune his bass. Emotion glints across the stage for a moment in quite a different way when the juggler, trying to eject the drunken lion-tamer, deliberately kicks his bandage. But for the most part I found the going very dry.

The production is at least always handsome to look at, and often amusing simply from the grouping of the bizarre characters with their instruments. As musicians, Oliver Cotton as the clown beats the rest hollow; he gives extempore performances of Die Forelle on the double-bass or anyway of its first few bars, whenever the proceedings seem too dull for him. The rest (Caribaldi on 'cello, juggler on violin and grand-daughter on viola) seldom get beyond tuning their instruments, and the lion-tamer, uncontrollably angry with his piano, first tries to kick it to death and then empties his pistol into it.

Thomas Bernhard, who is 45, is a prolific novelist and a less prolific playwright who has won an Austrian State Prize for literature. Perhaps we have unwittingly taken the wrong approach to him. Perhaps there's something about what seems a perfectly good translation by Neville and Stephen Plaice that misrepresents him. Whatever it is, The Force of Habit does not endear him instantly.

EUROPEAN NEWS

Germany gives DM430m boost to labour mobility

BY NICHOLAS COLCHESTER

BONN, Nov. 10.

THE West German Cabinet to-day gave the go-ahead to a long-awaited DM430m. programme to boost labour mobility. Together with other measures against unemployment to be financed out of the reserves of the Federal Labour Office, to-day's decision means that a total of DM1.6bn. will be made available between now and the end of 1977, not to create new jobs, but to train and encourage people to take up jobs that already exist.

Meanwhile, despite continued international pressure, the German Government still insists that the German economy needs no more general reflation. The Government spokesman, Dr. Armin Gruenewald, said "the Government is not even thinking about it." He foresaw neutral fiscal policies in 1977 and a broadly unchanged monetary policy for the time being.

Dr. Gruenewald sought to justify the Government's stance by appealing to recent order statistics. These do, indeed, suggest that the summer pause in German economic expansion has ended and that internal demand, as opposed to export demand, is getting moving again. The September figures for demand in the capital goods industry are particularly encouraging, with domestic orders for plant and machinery in the third quarter

12.5 per cent. up on the second quarter.

Nevertheless, there is still scepticism in West German industry and growing doubt abroad. The investment and employment plans of German companies for 1977, polled recently by the IFO institute, were in sharp contrast to the official optimism of Government and the economic institutes. At the OECD in Paris the economists are in the process of downgrading the growth forecast for the seven leading industrial economies over the coming year. They are reported to be particularly worried about growth between the first and second halves of 1977, when the real annual rate could fall back below the rate of 4 per cent. that is traditionally regarded as the transition point between falling and rising unemployment.

To-day's anti-unemployment programme is designed to encourage the long-term unemployed to move in search of a job. Anyone who, after six months or more of unemployment, either moves to a new job or takes a new job involving a pay cut of more than 15 per cent., or takes a new type of job at maintained or reduced pay, gets DM500 provided he starts the new work before the end of May 1977. The longer the person has been unemployed, the more he benefits. In addition, if he moves within nine months of taking up the job he gets his moving costs paid, and gets a furnishing bonus DM4,000 (unmarried) and DM6,000 (married) and more still with children.

The DM430m. provided for this programme is reckoned to be enough to help 200,000 unemployed, out of a current total of 900,000. In addition the Federal Employment Office is ready to spend over DM1bn. before the end of 1977 on existing programmes aimed at training and retraining workers, attracting youth towards job training and creating jobs for handicapped people.

Kekkonen move in rail dispute

BY LANCE KEYWORTH

HELSINKI, Nov. 10.

MR. URHO KEKKONEN, the President of Finland, to-day made a dramatic intervention in the illegal strike of 670 train dispatchers that has paralysed the Finnish railway system since midnight on Monday.

In a nationwide broadcast, he said that he would not countersign any bill or decree that was introduced to lower the pension age of the striking railwaymen from the present 63 to 58 years in order to end the strike. In other words he was telling them that he would exercise his constitutional veto right and that the union had nothing to gain by continuing the strike.

Giving way to the train dispatchers' pension demand would mean that another 50,000 public-sector employees would want the same benefit. That would cost the country an extra FMks350m. a year in state pension outlays, the President said. The repercussions in the private sector would be incalculable.

The President's initiative underlines the serious threat that the strike posed on the country's troubled economy. It also points to the growing concern in Finland on the ability of small groups of workers in key positions to press their employers into granting them extraordinary benefits. The past few weeks have seen a toughening attitude by both employers and the Government to union demands in the present strained economic situation.

Early reactions from union leaders indicated that the President's intervention to-day could mean the end of the dispatchers' strike. However, due to lack of train services, the union is having trouble in getting its officials to Helsinki to discuss the new situation and decide on the course of action to be taken now.

Ponomaryov to visit Lisbon

BY OUR OWN CORRESPONDENT

LISBON, Nov. 10.

THE SOVIET Union is to send a high-powered delegation, led by the Kremlin's top liaison man with the western world, Mr. Boris Ponomaryov, to the national congress of the Portuguese Communist Party which opens here to-morrow.

The four-day conference begins with the Portuguese Communists visibly confident of reversing the decline in their fortunes since the crushing of the Left-wing military rebellion last November 25. Dr. Alvaro Cunhal, the party leader, conceded to reporters this week that the party may have made a "few tactical mistakes, like any political force."

He stressed, however, that the party had no intention of moving away from its image as the most Moscow-oriented party in Western Europe, dismissing "speculation by the Right that we may move closer to so-called Western European type of socialism."

Dr. Cunhal, who turned 63 to-day, unveiled plans "substantially to enlarge" the present 36-man party Central Committee but stressed "basically, this congress will be a reconfirmation of past policy." Portugal's Communists are clearly hoping to benefit in local elections scheduled for December 12 from the increasing disarray both within the ruling Socialist Party and within the revolutionary Left.

Although observers expect conservative forces to perform well in next month's poll, they also expect to see a significant defection to the Communist Party among radical Socialists disenchanted with the economic austerity programme being pushed through by the Prime Minister, Sr. Mario Soares.

U.S.-EEC fish talks make good progress

By Robin Reeves

BRUSSELS, Nov. 10.

THE FIRST round of negotiations to secure continued access for European Community fishing boats to American waters, after the U.S. adopts 200-mile limits next March 1, was completed here to-day.

The talks were described as having made good progress. A concluding round is expected to take place in a few week's time, resulting, hopefully, in an EEC-U.S. framework fisheries agreement.

This will give Community recognition to the extension of U.S. jurisdiction over waters up to 200 miles of the U.S. coast and, vice versa, provide for U.S. recognition of the 200-mile limits to be adopted by EEC member states on January 1

The agreement will also give Community fishing boats an entitlement to a share of the fish stocks in the extended American waters, surplus to the U.S. requirements.

Fishing by Common Market countries on the other side of the Atlantic has been traditionally very limited. Recent annual catches by boats from Brittany, Italy and West Germany, have totalled about 30,000 to 35,000 tonnes which is just under 1 per cent. of hte total catch in these water, (some 4m. tonnes), and only 4 per cen. of the EEC's total catch outside Community waters.

U.S. fishermen do not fish in Community waters and therefore have no ned of reciprocal rights. Indeed according to EEC sources, they only take about one-third of the total sustainable catch inside a 200-mile U.S. Atlantic limit, which means that EEC boats can look forward to continuing their activities.

The actual amount of fishing available to EEC boats will not be decided until some time next year. Under U.S. legislation, the quantity of fish, surplus to U.S. fishermens' requirements is to be decided by regional councils established at State Government level, acting on the advice of marine biologists.

The declared surplus will then be shared out among foreign fleets by the Federal Government,

General strike in Rome

BY DOMINICK J. COYLE

ROME, Nov. 10.

ROMANS to-day shrugged off yet another general strike and awaited a speech to Parliament scheduled for later to-night by Sig. Giulio Andreotti, the Prime Minister, to learn what, if any, further measures of austerity are planned by the minority Christian Democrat Government in an effort to tackle Italy's economic crisis.

The strike to-day in Rome and the Lazio region was part of a series of industrial stoppages throughout the country in protest against the austerity measures announced so far by the Andreotti administration, whose future depends on the outcome of a three-day parliamentary debate on the economy opening this evening.

The Communist Party (PCI), whose tacit support in Parliament maintains the Government in office, has now instructed its parliamentary party to determine its voting attitude at the end of the debate on Friday, on the basis of the commitment and undertakings given by Government speakers. In fact the Prime Minister has already discussed his economic programme with PCI leaders, and it is evident that the Communists will abstain in any final vote, rather than bring down the Andreotti administration and risk another general election. The Opposition Socialist Party is virtually certain to adopt the same attitude.

The Government has been considering a number of proposals aimed at reducing labour costs to Italian industry, including provisions for adjusting the existing pattern of threshold payments to Italian workers in an effort to trim at least some of their more inflationary effects, and there is also a plan to transfer to the Treasury a portion of the heavy costs now borne directly by industry for social welfare payments.

Trade union leaders concede that something needs to be done to reduce the unfavourable differential between unit wage costs in Italy, and those in other main European countries, but they are well aware that they can no longer control shop floor militancy, particularly on the controversial proposal to interfere with cost-of-living increments. It is this militancy which is producing the current wave of regional strikes.

The Communist Party leadership is fully aware that its current policy of tacitly supporting the present Government risks eroding the traditional dichotomy between the political and trade union Left, and the Christian Democrat hierarchy.

Ruling on Rhine effluent

BY A. H. HERMANN

MANUFACTURERS and exporters of defective products could face law suits in foreign courts, should the European Court follow the opinion presented to it in the Rhinewater case yesterday.

The main legal issue in the first opinion presented to the court by Sig. Francesco Capotorti, recently appointed as one of the four Advocates General, concerns the interpretation of Article 5/3 of the European Convention on Jurisdiction and Enforcement of Civil and Commercial Judgments.

The convention provides that a person who suffered damage by a civil wrong can sue the perpetrator in the court of the place where the wrong took place.

This legal issue will be decided in the course of the Rhinewater case, which appears to have no connection with the export of goods at all. It concerns litigation in which Dutch market gardeners are suing the French Potassium Mines Company for damages, alleging that waste water released by the French company into the river Rhine in France polluted the river and spoiled the gardeners' crops downstream in Holland when they used it to water their gardens.

Relying on the jurisdictional convention, they brought their action in a Dutch court. From there, the case was referred to the European Court to ask whether "the place where the tortious act occurred"—the words used in Article 5/3 of the Convention—was in France, where the waste was let into the river, or in the Netherlands, where it had its noxious effect.

Sig. Capotorti concludes that it was in the Netherlands, where the damage was done, and that the gardeners were entitled to sue in a Dutch court.

The Financial Times, published daily except Sundays and holidays. U.S. subscriptions $[illegible] (air freight) $324.00 (air mail) per annum. Second class postage paid at New York, N.Y.

Callaghan to seek French sympathy

By Reginald Dale, European Editor

MR. JAMES CALLAGH[AN], the Prime Minister, will [be] seeking assurances of Fre[nch] sympathy for the Bri[tish] $3.9bn. IMF drawing req[uest] when he visits Paris for [the] first in the new series [of] annual Anglo-French sum[mits] this evening. The Pr[ime] Minister is understood to [be] anxious to ensure that P[resi]dent Valery Giscard d'Esta[ing] fully appreciates that poli[cy] conditions attached to the [loan] must not be too strict.

Mr. Callaghan will not [be] asking for any specific Fr[ench] financial aid during [the] informal talks, which are [due] to last until to-morrow [after]noon. But it is likely [that] either he or Mr. Denis He[aley,] the Chancellor of [the] Exchequer, who is to a[ttend] Friday's talks, will discus[s the] future of the sterling bal[ances] with their French opp[osite] numbers.

Three Ministers—[Mr.] Healey, Mr. Edmund Del[l,] Minister for Trade, and [Mr.] John Silkin, the Ministe[r of] Agriculture—will all mis[s the] beginning of the talks to-[day.] This is because the Con[serva]tives have only allowed p[airing] arrangements for the [Prime] Minister and Mr. An[thony] Crosland, the Foreign [Secre]tary—despite Governme[nt in]sistence on the importa[nce of] the Paris talks.

The British side is [taking] the line that the fac[t that] regular summit exchang[es are] starting is more sign[ificant] than the actual items li[kely to] be raised in the disc[ussions,] which will all be h[eld at] Rambouillet.

The main points [are] expected to include the economic situation and [inter]national issues suc[h as] Rhodesia, the North[-South] "dialogue," the Middl[e East] and East-West relation[s].

There is also likely [to be] considerable discussio[n of] current EEC issues such [as the] common fisheries policy, [trade] with Japan, the future [of] the Brussels Commissi[on and] the Tindemans Repo[rt on] European union.

Robert Mauthner write[s from] Paris: The French [Govern]ment, which in Septem[ber was] obliged to adopt a [...]

هكذا من الأصل

[S]wedish unions push [fo]r more benefits

WILLIAM DULLFORCE STOCKHOLM, Nov. 10.

[SWED]EN'S employers and [unions] are on a collision course [in] central wage bargaining [negotia]tions for 1977, due to [start] next month. Yesterday, [the] Union Federation (LO) [chairm]an, Mr. Gunnar Nilsson, [rejecte]d the employers' claim, [made i]n an unprecedented open-[ing bi]d, that the condition of [Swedis]h industry entirely pro-[hibits] wage increases next year. [Inste]ad, he tabled demands [which] would, it is estimated, [raise co]mpanies' payroll costs by [... pe]r cent. next year. To this [must] be added an unspecified wage rise which could [rais]e the cost of the LO [deman]ds to 15 per cent.

[Mr.] Nilsson stated that LO [would] refuse to discuss any of [the ch]anges in the sickness [benefit] system, demanded by the [employ]ers in order to reduce [absent]eeism. He also dismissed [the em]ployers' request for a joint [study o]f industrial productivity.

[As] the worker participation [negotia]tions, which under the new co-determination law will be conducted simultaneously with the wage bargaining, Mr. Nilsson listed a number of new demands. These included the right for the unions unilaterally to determine working hours, the form in which wages should be paid, and holiday periods.

He reiterated the LO view that the new collective agreement should last for only one year, instead of the three years sought by the employers, and also stipulated that the agreement should be open for renegotiation, if, for instance, the new non-socialist Government were to raise value added tax.

"Threats" from the Government of a VAT increase, and of compulsory savings measures, and repeated statements by Ministers that there was scope for only marginal wage increases, could only be interpreted as hostile to wage-earners and support for the employers, Mr. Nilsson asserted.

[So]viet missiles in Baltic

[H]ILARY BARNES COPENHAGEN, Nov. 10.

[SIX] SOVIET submarines [equippe]d to fire nuclear missiles [have m]oved into the Baltic from [the No]rth Atlantic within the [past fe]w weeks, according to [Danish] military intelligence [sources. T]his is thought to be the [first tim]e that such vessels have [been] in the Baltic, and there has [certainl]y not been previously a [concent]ration of six such sub-[marines] in the Baltic.

[Defen]ce staff members said [the]y did not know why the submarines, which are of the Golf II class, were there. It may be that they have gone for repairs to Baltic shipyards, or that they have arrived for strategic reasons. The Golf II class were constructed in 1951-52, and modernised and equipped with surface-to-surface missiles in 1967. They are able to launch Serb class missiles with a range of 1,200 kilometres. The defence sources were unable to say whether the submarines are equipped with atomic warheads at present.

There are no international agreements forbidding the USSR to bring the submarines into the Baltic, but the move may further disturb Danes who are worried by the increasing intensity of Warsaw Pact military activity in the Baltic. Both the Prime Minister and the Foreign Minister have been raising this issue with Warsaw Pact counter-parts, but have received no satisfactory answers. When Soviet Foreign Minister, Mr. Andrei Gromyko, was in Copenhagen recently, he denied that there had been any increase in Soviet military activity in the Baltic.

[Mosc]ow talks end

[Soviet] Communist Party leader, [Le]onid Brezhnev, and his [Polish] counter-part, Mr. Edward [Gierek,] yesterday ended talks on [increasi]ng co-operation between [the] two countries, Reuter [reports] from Moscow. The talks, [which] started on Tuesday, [covered] problems of economic [integrat]ion in the Communist bloc Comecon, as well as [bilateral] relations. Observers [said tha]t Mr. Gierek had probably [come to] Moscow to help relieve [Polish f]ood and consumer goods [shortage]s.

At a time of growing discontent among its populace, East Germany has concentrated political and party power in the hands of one man. Leslie Colitt reports from Berlin

Honecker tightens his grip

THE recent reshuffle of East Germany's top leadership not only took Europe by surprise; it has also happened at a time when signs of restlessness are multiplying among the East German population.

Whether there is any connection is still uncertain. But reasons are now emerging for this change, apart from anything else, they showed once again that East Germany can engineer a new leadership more efficiently than most other Communist countries.

The reshuffle has concentrated all major State and party power into the hands of one man, party General Secretary, and now President, Herr Erich Honecker. In the process, Herr Horst Sindermann lost his job as Prime Minister and has been sent off into East Germany's version of political limbo, the Presidency of the Volkskammer, the country's rubber stamp Parliament.

The third figure in the reshuffle is Herr Willi Stoph who relinquished the Presidency to Herr Honecker and was moved into Herr Sindermann's post as Prime Minister, a job which he previously held until 1973.

Among the official reasons for Herr Honecker's elevation was that given by Herr Stoph when he made the announcement over television to an astonished East German population. The change, he said, conformed with the practice established for some time that the party leader had represented East Germany in important basic decisions and in international relations.

Top man

In other words, Herr Honecker is following the trend set by Bulgaria, Romania and Czechoslovakia of giving the top party man the top political post. More puzzling, though, is the removal of Herr Horst Sindermann, a popular and able figure who made his name as party chief in the important industrial area of Halle. Unlike his distant and wooden colleagues, Sindermann exudes warmth, and is an engaging public speaker.

Most important, perhaps, was his following among the intelligentsia, which respected his abilities but is simultaneously heading the growing mood of popular defiance towards the government. Petitions are being signed demanding that the authorities live up to the humanitarian section of the Helsinki agreement, that they end the ban on practising Christians entering university, and that they observe the passage on freedom of movement in the UN Declaration of Human Rights.

At least 100,000 of them have now applied to leave and resettle in West Germany. The authorities fear that this may only be the tip of the iceberg and that the more applications they approve, the more that will apply to leave.

Tensions have developed over the past year between the central government in Berlin under Herr Sindermann and local officials on how to deal with the problem. In a number of instances Berlin took the more pragmatic

Herr Erich Honecker

Herr Horst Sindermann

approach and approved the exit applications of citizens who insisted they could no longer live in East Germany. But these decisions were then blocked by local officials and the omnipresent state security apparatus. Both have their finger on the pulse of everyday East German life and have registered an alarming rise in the number of East Germans prepared to form protest groups and risk their livelihoods in doing so.

The new Prime Minister, Willi Stoph, who is East Germany's highest ranking general and has long-standing relations with the Ministry of State Security, can be counted on to see that security considerations are placed before all others.

Sindermann's removal may also be connected with his economic responsibilities at a time when the country was going through an exceptionally difficult period. It seems that he may have resisted policies aimed at tying the GDR economy more closely to the Soviet Union.

Last year, East Germany suffered a sharp deterioration in its terms of trade with the Russians due to higher prices for raw materials, and as a result had to scrap plans for industrial products aimed at the western market in favour of developing goods for delivery to the Soviet Union. This did not go down well with certain Berlin officials who already see East German industry condemned to technological backwardness because of its large level of trade with Comecon countries, of which half is with the Soviet Union. Herr Sindermann is said to have carefully listened to such complaints without "rejecting them with the expected firmness" in the words of one East German functionary.

East European communists in East Berlin say that Herr Sindermann, in fact, favoured greater industrial cooperation with West Germany as a means of modernising East German industry and at the same time reducing the DM15bn. debt East Germany has piled up with western countries.

Such cooperation would have included building factories in East Germany to produce consumer goods for the West German market, but this plan was condemned by the established leadership as one which would make East German industry "an extended work-bench of the West German monopolies."

The East Europeans say that as a result of this idea, Herr Sindermann came to be regarded with deep suspicion by the Soviets who react quickly to signs of "bourgeois nationalism" in East Germany. The Soviet ambassador to East Germany, Mr. Piotr Abrassimov, whose role is closer to that of a Roman proconsul, is reported to have developed a special aversion toward the Prime Minister.

Approval

Herr Sindermann's views contained a good deal of sense. But Herr Honecker is not one to resist Soviet counsel and, in addition, he counted on Moscow's approval for his plan to take over the Council of State. In the tradition of East German political demotions, Herr Sindermann has kept his politburo seat and is not being criticised publicly.

Parallel with the government reshuffle, ranking East German party officials have lashed into West Germany in their recent speeches. Herr Willi Stoph, in his first address to the new parliament presided over by Herr Sindermann, has spoke of the "*growth of revanchism*" in West Germany. The leading party ideologist, Herr Kurt Hager, says: "Leading politicians" in West Germany make no secret of the fact that they are "openly interfering into the internal affairs of our State." He reminds listeners that the frontier between East and West Germany is the "border between socialism and imperialism."

The East Europeans here say this strident language reflects the problems the East German leadership is having with its newly-assertive populace.

Turkish order for Foster Wheeler

Financial Times Reporter

FOSTER WHEELER Intercontinental, an affiliate of Foster Wheeler Corporation, has received a contract for the construction of a 1,340 MW lignite coal fired electric power plant in Turkey, valued at $140m., of which approximately 80 per cent. is in Turkish lira.

The contract, awarded by Turkye Elektrik Kurumu (TEK), the State-owned power authority, covers erection of four steam turbine generating units, boilers and associated equipment at a site near Elbistan, 200 miles north-east of Adana. The first unit is scheduled to start operating in 1979, with the fourth going on line in 1980. When complete, the plant will be the largest thermal power generating facility in Turkey, providing 8.5bn. KW-hr/yr.

Governor takes up Mondale's Senate seat

Mr. Wendell Anderson, the Democratic Governor of Minnesota, has decided to take up himself the Senate seat from the state being vacated by Mr. Walter Mondale, the Vice-President elect, writes Jurek Martin in Washington.

This brings to 18 the new faces in the Senate, but it does not, of course, change its party balance, which remains at 62 Democrats (including a nominal independent, Harry Byrd Jr. of Virginia, who normally votes with the Democrats) and 38 Republicans.

Governor Anderson said that he had conferred with both Mr. Mondale and Senator Hubert Humphrey, as well as with leaders of the local farm-labour party that is influential in Minnesota. Mr. Anderson is cast very much in the same mould politically as the two current Senators.

Rail freight rates

U.S. railways have asked the Interstate Commerce Commission to approve a four per cent. across the board increase in freight rates effective January 1, the Eastern, Western and Southern Railroads said in Washington, Reuter reports.

Chrysler layoffs

Chrysler Corporation has said that it will lay off 14,200 workers at its Hamtramck, Michigan, and St. Louis assembly plants for one week periods this month and next to reduce stocks of Plymouth Volare and Dodge Aspen models, Reuter reports from Detroit.

Quebec poll

An opinion poll published yesterday in Montreal newspapers confirmed that the electorate is in the mood to punish the Liberal Bourassa Government but is still strongly against separatism, writes Victor Mackie in Ottawa. About 30 per cent. of voters polled preferred the separatist Parti Quebecois and 16 per cent. said they would vote Liberal, 30 per cent. were undecided. Only 18.4 per cent. were in favour of separation.

Developing loans

U.S. bank lending to developing nations continued to climb last year despite concern in the banking community about the ability of these countries to meet mounting foreign debt payments, according to the New York Times quoted by AP-DJ. As of mid-year, banks in the U.S. and their major foreign branches had $32.6m. in loans outstanding to Argentina, Brazil, Mexico, Peru and Indonesia.

IBM facing $300m. claim in major new anti-trust suit

BY STEWART FLEMING — NEW YORK, Nov. 10.

WITH THE U.S. Government's Justice Department anti-trust suit against IBM well into its second year of daily hearings in New York, another major anti-trust trial for the world's biggest computer company is scheduled to open in California next Monday.

The suit has been brought by California Computer Products, which makes computer peripheral equipment and is claiming that IBM is monopolising the disk drive and general purpose computer markets.

The company is seeking about $300m. in triple damages from IBM in an action which will be closely monitored by other companies which have already sued IBM. These include Memorex Corporation, Sanders Associates, and Forro Precision.

IBM has already faced a number of anti-trust suits from companies in the computer business and has not lost one in 1973, Telex won a $259m. suit but the decision was subsequently reversed on appeal.

The California Computer's case, due to begin on Monday, claims, among other things, that IBM has cut its prices on some products to force small competitors out of business.

For its part, IBM argues that California Computer is in part complaining about alleged actions which took place before it was in the market competing with IBM.

NY schools told to end teacher discrimination

BY STEWART FLEMING — NEW YORK, Nov. 10.

A UNITED STATES Government civil rights agency has warned New York City's public school system that it may withdraw $200m. in Federal funds for education if the city continues to discriminate against women teachers and teachers from racial minorities in hiring, promotion and assignments.

Mr. Martin H. Gerry, director of the Health Education and Welfare Department's office for civil rights, has alleged that the New York school system examinations for hiring teachers were discriminatory and that minority teachers who passed were too frequently assigned to minority schools.

He claimed that the system denied women access to posts as principals and assistant principals and paid women athletic coaches less than men.

Mr. Gerry pointed out, however, that the objective of his department was not to impose sanctions on the financially pressed city but to press it to end discriminatory practices.

Argentine guerillas killed

BY ROBERT LINDLEY — BUENOS AIRES, Nov. 10.

POLICE and Army units killed 18 guerillas in four encounters with the security forces in the area of La Plata, 35 miles east of here and the capital of Buenos Aires province, it was officially reported to-day.

The official reports say that the dead guerillas were suspected to be involved in the placing of a bomb in the provincial police headquarters in La Plata. The bomb exploded last night, killing a policeman and wounding ten others, including the province's deputy police chief, one of whose arms had to be amputated this morning.

The guerillas here seem to be no longer capable of carrying on guerilla warfare—by attacking police stations and army garrisons en masse—but are limited to placing bombs strategically and to assassinations, especially of business executives—almost always Argentines. With the shooting down yesterday of Sr. Adolfo Valis, personnel manager of a tractor factory and a retired air force major, the number of executives murdered by guerillas since the March 24 coup d'etat rose to 27.

Peru seeks foreign capital for oil

LIMA, Nov. 10.

PERU's President Francisco Morales Bermudez said to-day that Peru is making a "new opening" for foreign capital in the nation's oil industry to supplement its production against the constant possibility of world rises.

"Peru cannot do it alone," the President said after a week's visit to Peru's Amazon jungles where he met the Brazilian President Ernesto Geisel and inspected Peru's northern oil pipeline.

The President said Peru hoped to pump between 40,000 to 50,000 barrels a day through the 517-mile pipeline in the first half of next year. It is hoped later to increase output by an additional 100,000 barrels a day.

The pipeline, financed by foreign capital with the State company Petro-Peru is scheduled to be completed in January.

The President said that Peru "must continue to look for oil in its jungle regions." He emphasised that the present Peruvian model for exploration was not sufficient and that a "greater opening" for foreign capital will be made.

Peru's jungle proven reserves are estimated at 550m. barrels. The country now produces about 69,000 barrels a day and needs another 50,000 to 53,000 more a day to fill internal consumption needs.

AP-DJ

Concern at API meeting

SAN FRANCISCO, Nov. 10.

OILMEN clearly won the first round this year in U.S. Congressional efforts to break up the bigger oil companies but are convinced that the fight is far from over.

Confusion and uncertainties about President-elect Jimmy Carter's positions on oil matters including divestiture, as proposals to fragment the oil companies are called, are compounding the oilmen's concern.

The pessimism is hardly unanimous, however. Many of the oilmen interviewed at the American Petroleum Institute's (API) annual meeting here this week suggest that a Democrat in the White House might not be all bad news for the oil industry.

AP-DJ

In the second of his three articles on the Amazon, **David White**, our Brazil correspondent, reports on the violent issue of land ownership.

The Wild West of Brazil

WHO OWNS the Amazon? The question may seem absurd for an area which supports, particularly in its remote western region, the sparsest of human populations. Over huge areas of northern Brazil there is nobody around to lay a claim. But where the land can be got to, ownership has become a complex problem, overlaid with political and social issues and fraught with violence.

In areas which have been opened up to farming—in the states of Maranhão, Pará and Mato Grosso, and the territory of Rondônia—haves and have-nots have been pitched into conflict. Government authorities which set out a few years ago to foster the beginnings of Amazon development are now overwrought with trying to sort out the tangles.

Four of this year's incidents serve to illustrate some of the tensions involved—in January, three Government mining officials were killed by Indians on the Transamazonian highway; in April, a labour contractor for a farm was killed by settlers; in July an American rancher, who had tried to oust squatters from his land, and two of his sons, were ambushed and killed; in the same month, a mission priest and an Indian were murdered by about 70 farmers and gunmen. It must be the nearest modern equivalent to the Wild West. In the city of Manaus, firearms are easily obtainable in the shops, and rifles, for hunting jaguars or for self-defence, are standard equipment.

There is no accurate measure of the number of people moving out along the roads. In Rondônia, the most recent problem area, estimates range upwards from 150 families a month, all after land. Quite big towns have sprung up in a few years. Some of the arrivals, who come mostly from the south, 2,000 miles or more away, are accommodated in settlement projects with standard lots of 250 or 500 acres—for which the rock-bottom price is little over £1 an acre. Others occupy plots which will nominally be theirs after they have farmed them for a year and a day.

But the National Institute for Settlement and Land Reform (Incra) is notoriously behindhand in regularising settlers' claims, which are often at odds with the claims of others. "The land here," I was told, "has already been sold up to the fourth floor." Incra, a Government agency, has already had to make several major readjustments to its ideas since the colonisation of the region started in the 1960s, with the road that goes north from Brasília to Belém. Settlement there, the first test of Brasília's role in opening up the interior of Brazil, was chaotic. On the Transamazonian, which cuts across the region, it set up "integrated" farming towns and brought settlers in along the road (it later came to the conclusion, according to an official report, "that air transport would be less burdensome.").

This "paternalistic" phase of settlement has been abandoned. The need to lead settlers in by

In the city of Manaus, firearms are easily obtainable in the shops, and rifles, for hunting jaguars or for self-defence, are standard equipment.

the nose has been overtaken by events. Except in a few cases, where for security reasons the Government wants to populate border regions, it is a question of accommodating people who have already arrived.

Controlling the areas next to the roads, Incra has at its disposal an estimated 880,000 square miles, or half the whole Amazonian region: it describes itself as the world's biggest landowner. Between now and 1979 it plans 10 more colonies, with a total of 15,000 farms. The overall area, half of which has by law to be left as forest, is rather bigger than Italy.

In Rondônia it has already started five settlement projects containing 6,000 families. The oldest, Ouro Preto, six hours' rough drive south of Porto Velho, is firmly established as an agricultural centre, producing half the territory's rice, beans and maize, and starting an ambitious cocoa programme.

In order to promote faster development, increased emphasis is being given to medium and large enterprises, to whom Incra plans to sell areas of up to 250 square miles for cattle and 280 square miles for forestry. Outside Incra's domain, there are already a number of cattle ranches several times as big. The growth of big land holdings has been the cause of many tensions. Many of the imigrants in places like Rondonia have been bought out elsewhere, and they are running out of space. There is just not enough usable land that is accessible.

The *posseiros*—those who move on to the land without legal rights—lead a precarious existence, and malaria is prevalent along the roadsides. In many cases their disputes with farmers are about land that the farmers themselves do not own. It is standard practice to extend the limits of your land, virtually ad lib.

In Rondonia alone, over 4,500 square miles have been illegally laid claim to in this way, according to Incra. In the west of Maranhao, farming groups from Minas Gerais have moved in where 15,000 *posseiros* are already busy growing rice, maize, and cotton, and in Mato Grosso farmers have been known to use forged documents purporting to date to 1821 to prove their right to the land (the documents reportedly mention a road which was not there in 1921, let alone 1821).

Incra has put a programme to redistribute parts of some large holdings, granting loans to the recipients. But bureaucratic procedures drag on for months. One company I spoke to, which had bought 490,000 acres, had decided it had waited long enough and started clearing the land of trees, without definitive land rights, and fully expecting to lose part of the area.

Disputes also arise about areas reserved for Indians, who under the constitution have the right to the land they live on. Ownership nominally resides with the State, and the Indians have no rights to the subsoil. Usually, frictions arise from administrative mistakes—a road that cuts through the famous Xingu National Park, which the Villas Boas brothers set up, or delays in marking out the boundaries of the more recent Aripuana Park, lying further west.

In the case of Aripuana, between 3,000 and 4,000 *posseiros* took, or were sold, Indian land. The Indian authorities offered part of what was earlier designated a "prohibited area" to resettle the *posseiros*, but there are more *posseiros* already there. Similarly in Maranhao, the land of the Guajajara tribe has been in dispute.

Incra has tended to play these arguments down, but there i genuine fear that the Indian will start acting of their ow accord. At times, Incra and th Indian authorities have been a loggerheads with one another. I one place Incra set up a settlement office a stone's throw fron an Indian post, supposedly in th middle of Indian territory. Incr wants the Indians to accept lan on the same basis as other peopl —250 acres per family—but fo people subsisting on hunte game that is not much. In on northern area the Indians di not even get that amount.

On top of this there have bee clashes between *posseiros* an other settlers with land entitlements—all this in an area wher farming is still an uncertai

For anyone preparec to take on the risks and uncertainties, land is still going cheap—you might reckon on £5-£7 an acre.

business, and where farmers ca be heard talking endlessly abo what they will try to grow an how, without knowing how it wi turn out.

For anyone prepared to tal on the risks and uncertaintie land is still going cheap—yc might reckon on £5-£7 an acre and there are good tax cond tions. Foreign-owned holdin are subject to some restrictio —you may not own more than quarter of a *municipio* borough and groups of the san nationality may not own mo than two-fifths. But then Ro dônia, for instance, which is big as Great Britain ar Northern Ireland, has only tw *municipios*.

The biggest foreign property date, and Brazil's biggest farm 2.7m. acres — belongs to M Daniel Ludwig of the Nation Bulk Carriers shipping empir His farm is one of two big unde takings in the territory Amapá, next to French Guian It has bauxite and china cl deposits, produces rice and be and has the Amazon's first pra tical experiments in dyking a plantation forestry. Mr. Ludw is planning to add anoth Wales-sized chunk of land, tw as big as the farm he alrea has.

OVERSEAS NEWS

Britain tries for compromise on independence date

BRIDGET BLOOM, AFRICA CORRESPONDENT.

GENEVA, Nov. 10.

PAINFUL and prolonged to find agreement on a for Rhodesia's independ- continued to-day, with con- e chairman Mr. Ivor rd reporting that "some ss" had been made with frican delegations contra- g that view.

issue of independence, has so far occupied the ence for eight of its formal existence, is seen as l by the Africans, who a commitment to a firm is a necessary test of the ity of the white Govern- to transfer real power to frican majority.

Richard, who returned last from London, declaring brought no new initiative his talks with British ers, to-day met the heads delegations in private al session.

ces confirm that he put for- no new ideas. The British ch appears to be to get ent on a form of words while not tying down the ence to a specific date, meet the objections of des and allow the confer- o move on to the next item, the structure and ns of an interim ment.

Richard is said to favour aration in which Britain state its belief that inde- ce should be granted on pecified date 15 months ie conference's conclusion. would be added the rider ere the interim Govern- ble to conclude the neces- ocesses—agreement on a constitution, elections and so forth — more rapidly, independence could be granted earlier.

The basis for the British view appears to be that while the white Rhodesians could be persuaded to accept a 15 months transition (instead of 23 months) they, and just as important, their South African backers, would not accept less.

It may indicate movement that the white Rhodesians, possibly as a result of pressure applied from Washington through Pretoria over the past few days, are now apparently prepared to accept such a formulation.

Another possibly hopeful sign is that while the Africans are still adamant that the transitional period must not be more than 12 months, they too are prepared to allow, albeit in a de facto manner, some slippage in the timetable.

Conference sources suggest that the Africans would settle for a declaration—which would have to be adopted by all parties—indicating agreement on a date within 12 months. They would, however, not object to Britain adding a separate caveat, not part of the general conference declaration, that if the due processes were not completed in time, independence would be delayed, although not beyond 15 months.

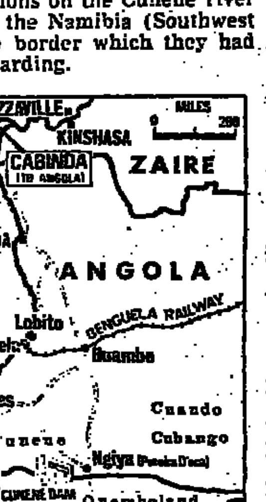
It is far from clear at this stage whether such a compromise can be accepted. Manifestly, however, delegates are increasingly frustrated at the failure of the conference so far, and there is widespread talk of an adjournment if there is no agreement in the next two days.

Unita Minister 'on visit to S. Africa'

OUR FOREIGN STAFF

Y FIGHTING continued ay in southern Angola unconfirmed reports that rge Sangumba, Foreign r of the pro-western liber- movement Unita (National for the Total Independ- f Angola), is in South He is reliably reported arrived at Jan Smuts in Johannesburg from town in Botswana on . He was met, according reports, by white South s.

resence in South Africa, revives questions about African involvement in Officially South Africa its withdrawal from last March 27, when it w troops from the power ions on the Cunene river the Namibia (Southwest) border which they had arding.



son has been given from rter for Mr. Sangumba's South Africa. If indeed ere, it could be simply communications so far ern Angola are con- are better in South an they are in Zambia, r. Sangumba is based. is speculation that Mr. a could be seeking support from South South Africa first com- oops on the joint FNLA- le in August, 1975, and from operation areas ry, 1976. It is thought unlikely that any frica troops would be k into Angola.

W. Botha, the South Defence Minister, has denied any involvement by the Republic saying "there is no aggression from our side." South Africa administers Namibia under a contested United Nations mandate.

What the 3,000 or more refugees who have fled south across the Namibian border say has been happening is that the Marxist MPLA forces of President Agostinho Neto strongly supported by Russian-supplied Cuban troops and apparently in a temporary liaison with Swapo (Southwest Africa Peoples Organisation) forces are attempting to crush the resistance of guerillas of Unita, which is being led by Dr. Jonas Savimbi, before the first anniversary of Angolan independence from Potrugal which falls to-day. Other sources in Windhoek, the Namibian capital say, the recent intense fighting is the result of a counter-attack by Unita against the advancing MPLA.

The Cubans and MPLA forces began their sweep of the south just under a month ago. Until then the official line from Luanda had been that the lingering resistance from Unita in the south and the FNLA (National Front for the Liberation of Angola) in the North close to the Zaire border had been completely broken.

The FNLA was the third liberation movement in the civil war which came to an end last February after the South Africans withdrew their troops from Unita controlled territory and the mercenary directed troops of the FNLA in the north collapsed.

Since then, however, Unita in particular has continued to harass the MPLA. In particular, it has prevented the reopening of the strategic Benguela railway, which the MPLA said would resume operations last August.

There are no reliable estimates of Unita's strength. The last known figure some months back was 12,000 men under small arms at least. Dr. Savimbi is recently said to have moved his headquarters from Cuando Cubango, the empty quarter in the south-east, to within 30 miles of the railway in Huambo province and to have spread his area of operations further south.

There are thought to be at least 15,000 Cuban troops still inside Angola and all the available evidence suggests they heavily outgun Unita.

Lebanon peace force advance

Arab troops moved into left- and right-wing territory near Beirut, bracketing the capital to north and south as they headed for the coast, our Beirut correspondent writes. Their aim is to roll back all factions to pre-war positions of April, 1975, to collect their heavy weapons and supervise public administration, including relations between the Lebanese Government and Palestinian guerillas. Meetings between President Sarkis and right-wing leaders seem to have reduced the latters' opposition to the Arab incursion. Palestinian guerillas have handed over their positions and withdrawn towards the Israeli frontier.

Economic emphasis in Egypt Cabinet

By Michael Tingay

CAIRO, Nov. 10.

CHANGES in the Egyptian Cabinet yesterday have the potential to create the first strong economic administration in Egypt since President Sadat launched his "open door" policy three years ago.

Three moves are crucial. The appointment of Dr. Abdul Moneim el Kaissouny as Deputy Prime Minister for Economic and Financial Affairs, the dismissal of Dr. Ahmed Abu Ismail, regarded by some as Egypt's worst-ever Minister of Finance, and the departure of Mr. Osman Ahmed Osman, the powerful Minister of Housing and Reconstruction.

Major changes occurred only in the economic sector which has been turned around with Dr. Muhamed Salaheddin Hamed, a professional economist from the Abu Dhabi Fund, replacing Dr. Abu Ismail, and Dr. Hamed el Sayed, put in charge of the Ministry of Economy and Economic Co-operation. Dr. el Sayeh moved from the national bank where he had moved up as one of Dr. Kaissouni's proteges.

Mystery surrounds both the arrival of Dr. Kaissouni, on whom great pressure must have been brought to bear to persuade him to leave the Arab International Bank, the foreign currency operation which he personally set up in 1971, and the dismissal of Mr. Osman, whose son is due to marry President Sadat's daughter

ISRAEL AND THE PALESTINIANS

PLO lies low

BY RICHARD JOHNS, MIDDLE EAST EDITOR

LAST WEEK Major-General Mordechai Gur, the Israeli Chief of Staff, observed that a whole year had passed without any of his countrymen, military or civilian, having lost their lives as a result of activity by Palestinian "terrorists."

For Israel this has been a matter of some satisfaction but hardly remarkable given the guerilla movement's total preoccupation with the civil war in Lebanon.

More surprising, to apprehensive observers in Jerusalem and Tel Aviv, has been the absence of any activity on the northern border in the past two weeks since the Arab summit endorsed the peace formula worked out at the preceding meeting of Heads of State in Riyadh.

Within two days of the conclusion of the Cairo gathering, the Syrian Army was allowing the safe passage of commandos to the Arkoub area in the south-east of Lebanon. By doing so, it was honouring the key provision of the Riyadh compromise about the re-application of the Cairo Accords of 1969. Drawn up under pan-Arab auspices after the fighting between the Lebanese Army and the Palestinians in that year, they laid down that the guerillas' armed presence in the Lebanon should be confined to the refugee camps and the Arkoub area, which was later called by the Israelis as "Fatahland."

Subsequently amended and clarified, the accords (which were never published) also defined the scope of operations against Israel which could be carried out—virtually limiting them to infiltration across the border. Nevertheless, to Israelis, the clear implication of the re-application of the accords and the return of the commandos to the Arkoub district was that trouble could be expected.

Yesterday, however, at a briefing of Parliamentarians (apparently given by no lesser person than Mr. Yitzhak Rabin, the Premier) the Israeli Government gave air to its belief that Mr. Aarafat might have decided to suspend guerilla operations as part of a policy of co-ordination in preparation for a Middle East peace initiative next year.

To independent analysts it has long been clear that a key objective of Syrian strategy in the Lebanon has been to bring the guerilla movement under a measure of control as a necessary precondition for meaningful peace negotiations within the context of a reconvened Geneva conference.

The immediate significance of yesterday's meeting between a "senior Israeli official" and journalists is that Mr. Rabin's Government now appreciates this. The second, and more intriguing aspect, of his interpretation of the situation on the border is that it may have taken the Israeli's political consensus a little nearer to the great psychological upheaval which will be necessary for negotiations with the PLO and an acceptance in the future of a Palestinian entity separate from Jordan on what is now occupied territory.

Yesterday in the Knesset, Mr. Israel Galilee, Minister-without Portfolio and a key figure in the Israeli political establishment, reasserted his Government's total opposition to holding any talks with the PLO. But at the same time Mr. Haim Zadok, Minister of Justice, refused demands for action to be taken against four prominent Israeli "doves" who are reported to have held contacts with PLO representatives in Paris in recent months.

The former General Matti Peled, the Maverick left-wing journalist Uri Avneri, the left-wing MP Meir Pail, and former Ministry of Finance Director-General Dr. Yaacov Arnon—the four men concerned—are well to the left of even the moderate mainstream of Israeli politics. But their outspoken position on the need to face squarely the Palestinian question represents the tip of a much bigger iceberg of realisation that at some point a peace settlement must involve the PLO.

Parallel with it is the Government's awareness that the outgoing U.S. administration and the State Department have attached increasing importance to the Palestinian element in their thinking on the Middle East.

Mr. Rabin and his colleagues may have been surprised at the evidence that the Palestinians are not immediately planning to ambush school buses and attack civilian settlements in Upper Galilee. That, however, was the confident, explicitly stated, expectation of Egyptian and Syrian officials in the wake of the Cairo summit conference when they were asked about the dangers posed by the guerillas in the Arkoub area not only to the implementation of the Lebanese peace formula but also—more seriously — the Syrian-Israeli ceasefire.

It was pointed out that the Palestinians, after the battering received in the later stages of the fighting, would want, anyway, to "lie low as they did after the civil war in Jordan in 1970."

Before any resumption of operations against Israel, there would have to be a debate about "responsibility" for what happened in the Lebanon and how 20 months of fighting achieved nothing for the Palestinian cause but, on the contrary, inflicted considerable damage on the unity of the PLO's mainstream and badly strained its leadership.

Quite apart from these obvious considerations, one senior Egyptian diplomat, known to be close to President Sadat, said: "The Palestinians will do nothing to upset the peace plan by provoking Israel." Although he did not say so, it seems probable that this was an unwritten part of the 13-point Riyadh agreement which Mr. Arafat had no choice but to accept.

The Egyptian envoy added: "Now they will have to define a policy."

At issue, of course, is whether the PLO will renounce the absolutist aim of a "democratic secular" state covering the whole of historic Palestine and be prepared to settle—for the time being at any rate—what they can obtain on the West Bank and the Gaza Strip territory evacuated by Israel as part of a negotiated settlement.

Certainly, this issue, together with the very directly related one of the future leadership of the PLO, will dominate the meeting of the Palestine National Council scheduled to take place in Cairo towards the end of December. It will be the first time that the legislature of the national movement has met since June, 1974, when it elected the present 14-man executive committee. Shortly after, three members representing groups which defected to the "Rejection Front" became non-participants.

More recently Mr. Zuhair Mohsen, of the Damascus-sponsored Saiqa group, which fought with the Syrian army in Lebanon, has inevitably been beyond the pale as far as Mr. Arafat and Al Fatah, the main body of the movement, are concerned. Piecing together any sort of unity will be difficult. Yet attempts to bring the fragmented movement together must inevitably centre around the renewed U.S. peace initiative, which must come sooner or later next year, and the prospect of Geneva.

Last time it met the PNC adopted a ten-point programme that has been the basis of an official policy which the Palestinians' diplomatic triumphs at the UN seemed to reinforce.

Now, after the Lebanese conflict and the approval of the essentially Syrian peace formula by nearly all the other Arab countries, the movement must decide whether it is prepared to settle for less—thus opening the way for a Middle East settlement.

WORLD TRADE NEWS

USSR says merchant fleet is commercial not political

BY JOHN WYLES, SHIPPING CORRESPONDENT

A FORTHRIGHT denial that the Soviet Union's fast-growing merchant fleet is being operated more for political than commercial purposes has been issued in New York by Mr. Boris Yunitsin, head of one of Russia's leading lines, the Baltic Shipping Company.

Mr. Yunitsin was speaking at a shipping conference which, like many others this year, has prominently featured the debate over Russian shipping tactics. With Western governments becoming increasingly concerned about Soviet rate-cutting and the EEC discussing some form of action, Soviet spokesmen are now making great efforts to defend their shipping policies.

As far as Mr. Yunitsin was concerned, he believed it had become fashionable to blame the Russians for the difficulties caused by the general trade recession. Dismissing accusations that Russia had mainly political reasons for building up its merchant fleet far in excess of the country's share of world trade, Mr. Yunitsin claimed that the 16 Soviet State shipping lines are required to cover all expenses and to make a profit.

This explanation is unlikely to satisfy many Western shipowners who have repeatedly pointed out that Soviet lines do not have to meet insurance costs nor bear the burden of capital debt and depreciation charges.

Mr. Yunitsin's company is marginally more acceptable to many Western owners because it is a conference member on some trades. But the Soviet shipping leader defended the "outsider" practices of other Russian lines saying that conference rate structures were too rigid and tended to favour high cost specialised ships.

Soviet shipping practices were reviewed at the same conference by Mr. Kristian von Sydow of the Swedish Shipowners Association, who said that while European owners could offer commercially and technically superior services they could not compete with Russia's operational advantages of lower wage rates, freedom from obligations to pay for social benefits, insurance and depreciation charges and lower bunker costs.

"On this basis I calculate the Russian daily operation cost for a modern container vessel to be roughly 40 to 50 per cent. lower than any European one," concluded Mr. von Sydow.

Japan prepares steel strategy

BY DOUGLAS RAMSEY

TOKYO, Nov. 10.

FIGURES released to-day by the Japanese Steel Exporters Association, showing Japanese steel exports rose 31.1 per cent. to 18.9m. tons in first half fiscal 1976 from the 1975 period, will be tabled at talks between the EEC and Japan in Brussels on Friday.

Shipments to the U.S. rose 76 per cent., and those to Europe 61.2 per cent. Though deliveries to the European Economic Community, at 700,000 tons, were well below deliveries in the six months to September 1975, and though the EEC negotiators accept that Japanese steelmakers are sending less to the community, they are alarmed at the rapid increase in sales to surrounding European countries such as Spain. Exports to the rest of Europe, at 1.9m. tons, are nearly double the corresponding 1975 exports (1.1m. tons).

The EEC is seeking a Japanese agreement to control the exports of small steel producers not covered by the export restraint promises for 1976. The earlier agreement with Japan's top six steel producers is understood to limit their steel exports to the EEC this year to around 1.2m. tons. Confidential figures supplied to the Financial Times indicate that the six companies are exporting much less: they sent only 437,000 tons in the first half, compared with 751,000 tons in 1975.

However, the limits on exports from big steel producers have generated a rush of exports by the smaller steel producers. Whereas from April to September 1975 these smaller exporters accounted for 23.2 per cent. of Japanese steel exports to the EEC, in the half just ended they took 39.5 per cent. of the total, an increase in tonnage shipments to the EEC of 25 per cent.

The largest of the secondary suppliers, Tokyo Steel, said to-day that it shipped 100,000 tons of steel shapes to the EEC between January and August, half the total export of Japanese shapes in that period. But the company also said contracts have fallen sharply and Tokyo Steel expects its exports to the EEC from October to December will not exceed 20,000 tons.

The lower level of exports to the EEC contrast sharply with sales in the U.S., where federal authorities are investigating Japanese steel shipments. According to Japanese industry sources, steel exports to the U.S. in the six months to September rose 76 per cent. over the 1975 period to 3,731,000 tons. The six majors, while supplying only 69 per cent. of that total (compared with 79 per cent. in 1975), nevertheless increased their deliveries to the U.S. by 898,000 tons (just over 50 per cent.). U.S. investigators are believed to be inquiring whether this 50 per cent. increase stems from the Japanese steel producers' voluntary agreement to limit exports to the EEC market.

If so, Washington could decide to limit imports from these companies on the grounds that a Japan-EEC "cartel" was damaging the American steel industry by switching supplies from Europe to the American market. Japanese companies are confident, however, that the doubling of supplies to European countries surrounding the EEC is proof enough that they are not diverting exports to the U.S. market.

N. Atlantic losses alarm IATA

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SINGAPORE, Nov. 10.

GOVERNMENTS and airlines will have to co-operate in a radical re-organisation of regulatory policy on the North Atlantic air route if it is to become profitable again, a special air transport problems investigator for the International Air Transport Association said.

Mr. Michael Dargan, former general manager of Aer Lingus told the IATA meeting here airlines lost $600m. on the North Atlantic route last year, bringing the total loss *since 1972 to* $2.2bn.

This year's increase in traffic on the route will not reverse the trend — airlines will not make profits until costs, revenue yields and load factors are sound. The entire fares structure needs simplifying and governments should help here by co-ordinating policies to remove conflicting requirements which force airlines into conflicting price structures in fares conferences, he said.

"Patching up the existing system with further compromises may buy time but it will not create profits," he added.

Mr. Dargan's views have found fertile ground at the IATA meeting, which has been directed mainly towards revising the world airline structure to meet rapidly changing conditions—rising costs, changing travel habits, increasing Government intervention in airline affairs and growing charter competition.

Most airline chiefs to whom I have spoken here this week recognise that a new era of civil aviation development is beginning in which the public's prime requirement will be high quality transport at the lowest possible cost.

"Almost every area of our operations is under critical review," said one leading scheduled airline chairman. "We know that if we do not pull ourselves up by the bootstraps and give the public what they want, Governments will increasingly be obliged to step in and do it for us by encouraging independent charter operators."

Consistent with this attitude to change, IATA itself is reorganising its structure and is creating a new post of part-time chairman of the all-powerful top policy making executive committee—expected to be named soon but likely to be Mr. Floyd Hall of Eastern Airlines. His main task will be to act as liaison between IATA and Governments, especially the U.S. Government and its regulatory bodies such as the Federal Aviation Administration and the Civil Aeronautics Board, leaving the present IATA Director-General Mr. Knut Hammarskjold free to run IATA instead of spending most of his time on diplomatic missions.

● Mr. Hammarskjold yesterday accused the U.S. Government of speaking with conflicting voices and making decisions without consulting IATA, **AP-Dow Jones** adds.

"A large burden of responsibility continues to rest with the U.S. Government which has traditionally exerted a leadership role in international air transport. In recent years, because of policy differences among government departments, its actions have had a disruptive effect on the international system," he said.

Conflict between the Civil Aeronautics Board (CAB) and the Administration should ease with President-elect Jimmy Carter in harness with a Democratic congress, he added.

Insurance cover for Jebel Ali contractors

Financial Times Reporter

SEDGWICK FORBES, the int[ernational] insurance brokers, [has] arranged insurance cover [for] one of the consortia involved [in] the construction of the £438[m.] deep water port at Jebel Ali[,] Dubai.

The consortium involved com[]prises Dubai Transport Compa[ny] (Private), Balfour Beatty C[on]struction and the Dutch Stev[in] group whose contract for t[he] project is valued at £100m. T[he] work covers the erection of [] kilometres of breakwater a[nd] the construction of berths a[nd] wharfage. The project, wh[ich] is being undertaken for Duba[i's] ruler, Sheikh Rashid Bin Sa[eed] Al-Maktoum, is scheduled to ta[ke] four years to complete.

The cover includes contract[ors'] all risks, workmens' compen[sa]tion and employers' liabili[ty]. Most of it has been placed in t[he] London market, with the [re]mainder in Dubai.

On-site service will be p[ro]vided by Sedgwick For[bes] through their own Middle-E[ast] organisation which operates [in] partnership with local co[m]panies. The company has act[ive] offices in Bahrain and Jedd[ah] and one is due to open in Du[bai] in the new year.

Sedgwick Forbes sees co[ver] for "jumbo" construction p[ro]jects in the Middle East a[nd] other parts of the world as [a] major growth area for the [in]surance market and its offi[ces] are designed to win business a[nd] control the servicing of ins[ur]ances "on the ground."

Cross border leasing needs credit data

Financial Times Reporter

RELIABLE credit information [is] an essential requirement [for] cross-border leasing, Mr. Rob[ert] Munroe, chairman and manag[ing] director of Williams and Gly[n's] Leasing, told a meeting [in] Munich.

Outlining the potential pr[ob]lems of future cross-bor[der] leasing operations, he said t[hey] might involve credit regis[tration] and would certainly requ[ire] harmonisation of account[ing] standards between countries.

Speaking at the annual c[on]ference of Leaseurope, [Mr.] Munroe said there was a ke[en] interest in cross-border leas[ing] and great potential for grow[th].

However, it would be essen[tial] to find a means of establish[ing] the lessor's title to the lea[sed] asset, perhaps by means of [a] system of registration, possi[bly] a statutory note in the lesse[e's] accounts, or a stencil fixed [to] the asset.

Lessors operating acr[oss] borders must be able [to] offset exchange losses and [a] long future exchange mark[et]. Export credit agencies, he sa[id,] would have to understand t[he] requirements of lessors.

Texas visit

SENIOR bankers from Scotla[nd] and the City of London w[ill] leave the U.K. this week on [a] goodwill visit to Texas to stren[g]then the triangular relationshi[ps] that have grown up betwee[n] London, Scotland and Tex[as] since the discovery of North Se[a] oil.

The visit is being sponsored b[y] the Committee on Invisible Ex[]ports, the Houston Chamber o[f] Commerce, and the Britis[h] Overseas Trade Board.

STC optical fibre factory gets orders

By Christopher Lorenz, Electronics Correspondent

SEVERAL export orders are already in the pipeline for Standard Telephones and Cables' new commercial factory for optical fibre and cable, which was opened yesterday.

STC says the plant at Harlow, near London, is Europe's first commercial factory working solely on the design, manufacture and marketing of these products.

Optical fibre cables use light instead of electricity to transmit information, using hair-thin conductors of glass-like silica fibre. STC sees "vast commercial potential" for optical fibres, and reports it has already received export inquiries.

Intense competition between otpical fibre producers is already developing around the world. In the U.S. the Bell System has been extremely sensitive about STC's progress: the U.K. company's place as a subsidiary of ITT reinforces the challenge, since ITT is trying to enlarge its presence in the U.S. telecommunications market, at Bell's expense.

Optical fibres will have a wider potential market than many of STC's existing telecommunications links, for both civil and military customers, it may be suitable for aircraft, ships and manufacturing plants.

STC's main customer, the British Post Office, is considerably more cautious about optical fibres. It has ordered trial lengths from BICC/Plessey as well as STC (GEC is also well advanced, and has sold to British Rail).

As with other new technologies, STC therefore will have to rely largely on other customers, including exports, to fill the new 4,000 square feet Harlow factory.

Britain's Venezuelan hopes

BY HUGH O'SHAUGHNESSY

BRITAIN'S chances of winning contracts worth many hundreds of millions of pounds in the rail, steel and offshore oil sectors are likely to get a big boost during the forthcoming official visit to this country by Sr. Carlos Andrés Pérez, the Venezuelan President.

British officials have been encouraged by the agreements reached in the past few days by British Leyland for a feasibility study on a foundry project for the Venezuelan motor industry and a similar one by the London Transport Executive for the *Caracas Metro*.

During his visit to London from November 21 to 24, President Pérez will meet senior British industrialists and leading figures in the City to discuss ways of strengthening Anglo-Venezuelan co-operation.

He will visit Buckingham Palace, have long talks with Mr. Callaghan and will dine with the Lord Mayor at the Mansion House.

In Caracas, Britain and Venezuela are seen as having a common interest in that Venezuela expects to extract oil from its Orinoco tar sands at much the same price as Britain is extracting oil from the North Sea. Venezuela may eventually seek British co-operation in the building of offshore platforms.

The President's visit will give the British side an opportunity to stress to him the importance it puts on the industrial exhibition which the Department of Trade is helping to mount in Caracas in March.

Details, however, are not yet complete of the specifically political occasions which are to take place during the visit.

Venezuela, as one of the very few working parliamentary democracies in Latin America and a country which has severed relations with the Uruguayan regime and is often at odds with the Chilean junta, is keen to strengthen relations with the Social Democratic governments of Europe. President Perez's own party, Acción Democrática, may well decide to become a full member of the Socialist International which groups European and other Social Democratic movements. Acción Democrática, up to now an observer in the Socialist International, has an institutional link with the British Labour Party. The Venezuelan leader will be at pains to dissociate himself from the dictatorial governments of the extreme right in power in much of Latin America.

The visit, being an official rather than a state occasion will, at the President's wish, emphasise economic and political topics rather than ceremony.

British officials stress that the President is unlikely to arrive bearing any gift-wrapped packages for British industry but say that his visit should help British companies' attempts to obtain rail contracts, notably for the Caracas Metro, for the big steelworks planned for the state of Zulia—for which Davy International is competing as part of a European consortium—and for the offshore oil industry.

With ample supplies of oil on land and in the shallow waters of the Gulf of Maracaibo, Venezuela has not yet made deep off-shore drillings. Nevertheless, the Venezuelan party, which is expected to include the Minister of Mines and Hydrocarbons, Sr. Valentín Hernández, will talk about offshore prospects at the Department of Energy, continuing exchanges that took place earlier this year in Caracas between Dr. John Dickson Mabon, an oil minister, and officials of the Offshore Supply Office in Glasgow.

The common commitment of Venezuela and Britain to democracy is likely to be underlined during the Venezuelan leader's stay. Anglo-Venezuelan trade has been very buoyant. Britain's sales to Venezuela last year rose 82 per cent. to £92.6m. Britain's imports went up 22 per cent. to £165.4m.

NEWSLETTER

from
London & Continental Bankers Ltd. and its Shareholders

France's Top Credit Institution

Crédit Agricole with 9,000 Offices throughout France

Paris, September 1976 — Caisse Nationale de Crédit Agricole, a founder member of London & Continental Bankers Ltd., is the head institution of a cooperative banking group consisting of 94 self-sufficient regional banks and 9,000 local offices. The group, known as "Crédit Agricole", ranks among the world's largest financial organizations and is France's leading credit institution. Total consolidated assets of the group as of December 31, 1975 amounted to FF. 217 billion (US $ 48.7 billion).

Its agricultural background gives it an inherent strength as a base for its international development.

The group maintains more than 8.4 million accounts spread throughout France. Its total deposits as of December 31, 1975 amounted to FF. 170.9 billion (US $ 38.3 billion).

Crédit Agricole actively supports regional development, provides finance for agriculture and commerce, mostly in rural areas. It also offers full retail banking services with special emphasis on the furthering of savings. Crédit Agricole's short, medium and long-term collected funds account for 15 % of total French savings.

The group is decentralized in the interest of flexibility and in recognition of the progressive community spirit on which its proud history in local banking is based. It is, at the same time, tightly knit with CNCA which ensures effective pooling of group resources and redistributes them to the regional banks for the benefit of their members. Crédit Agricole's short, medium and long-term loans outstanding amounted to FF. 180.5 billion (US $ 40.5 billion) on December 31, 1975.

CNCA is authorized to issue its own medium and long-term bonds. Its long-term bonds, guaranteed by the French Government, are listed on the Paris Bourse and enjoy a wide market with institutions and individuals.

CNCA controls numerous subsidiaries which provide all necessary complementary services: UNICREDIT, a bank which specializes in the financing of agro-industries; VOYAGE CONSEIL, a travel agency; 3 leasing companies. Through another subsidary, CNCA holds equity participations in various food companies. Its mutual fund and real estate funds are amongst the most important ones in France.

CNCA is a competent partner in international finance. Its international department is very active in the short and medium-term Eurocurrency market and offers its wide experience in the area of agricultural and food industries financing.

One of Holland's Major Financial Institutions

Centrale Rabobank accounts for more than 40 % of Dutch Banking Deposits

Amsterdam, July 1976 (CBGMBH). — With more than 9 million savings and current accounts, Centrale Rabobank ranks among the top three financial institutes in Holland. Nearly every second Dutch banking customer uses Rabobank's comprehensive financial services. The Dutch cooperative banking system, of which it is the central institution, consists of 1,038 member banks with more than 3,100 branches. These serve an important part of the agricultural industry in the Netherlands and provide a comprehensive range of retail banking services throughout the country, especially to small and medium-sized enterprises.

Centrale Rabobank has interests in insurance and leasing and is rapidly expanding its activities in the field of international finance, export and import financing and foreign exchange.

In the area of underwriting the bank provides advice and counsel to prospective clients, both in the Netherlands and abroad, on the size, listing and timing of domestic as well as Eurobond issues. It acts as lead-manager, co-manager and/or underwriter of loans raised both in the local and Eurocurrency markets.

The Eurocurrency markets have again expanded during the past year but with shorter maturities than in the previous period of expansion. The role of Centrale Rabobank as one of the managers and/or underwriters of locally and internationally syndicated loans to public and private sector borrowers in various countries continued to increase steadily and the bank was engaged in the issue of several types of securities, including straight bonds, notes and convertible bonds.

Centrale Rabobank participated both on a best-efforts basis and on a firm basis whereby the bank firmly undertakes to place fully a part of the issue. However, in the light of the increased risks for the banking system and the bank's policy of gradual expansion in this field, firm syndications are agreed upon only for the highest quality of borrowers.

The bank endeavours to expand its range both geographically and in terms of the diversity of services provided and it expects that further underwriting operations will be undertaken during the coming year.

In project financing two major undertakings deserve special mention: The housebuilding project at Maarssen and the auction halls in South-Holland.

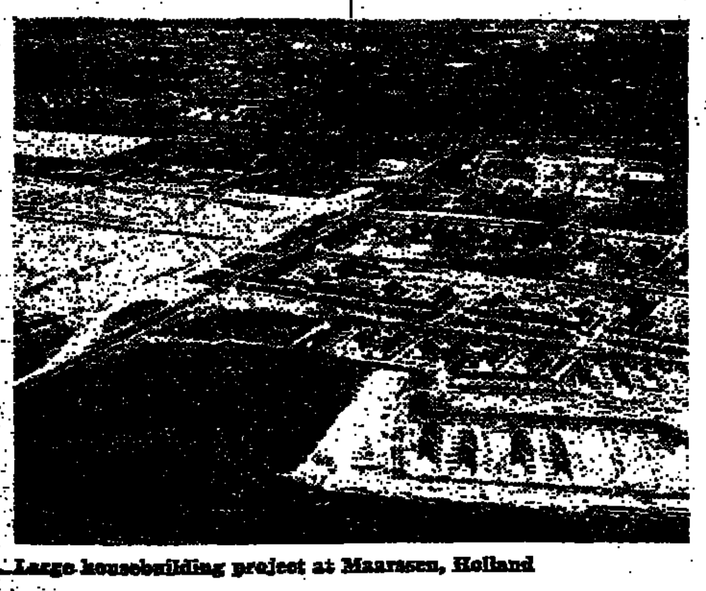
In 1975, Centrale Rabobank enlarged its interest in the real estate sector by providing advance financing for a sizeable housebuilding project at Maarssen. The entire project will be completed around 1987 and comprises 8,000 to 10,000 dwellings in all, as well as 20,000 and 17,000 sq. metres for shops and industrial enterprises, respectively. 1,350 dwellings have already been completed during the first stage and another 2,500 planned for the second stage are now under construction.

Also in 1975 six fruit and vegetable auction societies merged in the province of South-Holland to create a new system of auction halls with a trade centre at Barendrecht. The entire area covers 36 hectares, of which approximately 11 hectares are taken up by buildings.

Total sales per annum by the auction are around 120 million guilders. The greater part of the finance required was provided by Centrale Rabobank.

The Annual General Meeting of the Rabobank organization appointed Mr. P. J. Lardinois Chairman of the Executive Board of Centrale Rabobank with effect from January 1st, 1977. In that capacity Mr. Lardinois will succeed Dr. A. J. Verhage, who will retire at the end of December 1976.

In May 1956, Mr. Lardinois was appointed agriculture attaché to the Netherlands embassy in London. He held this position until September 1963 when he was elected to the Second Chamber of the States General. He was at the same time a member of the European Parliament from October 1963. During this period he also served on the boards of several agricultural organizations. He resigned these functions when he was appointed Minister of Agriculture and Fisheries on April 5th, 1967. On January 6th, 1973, Mr. Lardinois was appointed to the Commission of the European Communities, especially charged with agricultural affairs.



Large housebuilding project at Maarssen, Holland

OKO — Finland's Third Largest Commercial Bank

Helsinki, July 1976 (CBGMBH). — Osuuspankkien Keskuspankki Oy (abbr. OKO) is the central bank of the cooperative bank organization covering the whole of Finland. The number of cooperative banks throughout Finland totalled 384 at the end of 1975 and these had 811 regional and branch offices bringing the total number of cooperative bank offices to 1,195.

More than a fifth of public deposits were put in cooperative banks. The number of different types of deposit and current accounts held in cooperative banks was 3,052,149 on December 31st, 1975. The number of credits granted by cooperative banks was 744,331 at the end of 1975. The membership of the cooperative banks at the end of 1975 was about 276,100. Thus Osuuspankkien Keskuspankki Oy as the central bank of such a large organization plays an important part in channelling the flow of funds.

Increase in deposits from the public 20.6 % in 1975

Total deposits by the public in cooperative banks amounted to 8,072 million Finmarks at the end of 1975, an increase of 1,378.4 million Finmarks or 20.6 %, over the previous year. Time deposits increased by 1,229.8 million Finmarks, 19.5 %, totalling 7,537.5 million Finmarks at the end of the year. Current account deposits totalled 534.5 million Finmarks, a 38.5 % growth compared with the previous year.

Increase in advances to the public 20.8 % in 1975

The sum of credits granted by cooperative banks to the public (including loans arranged from government funds) amounted to 7,788.2 million Finmarks at the end of the year, a growth of 1,341.6 million Finmarks, 20.8 % against 1974. The major groups are individuals and the agricultural and forestry sector. Both these groups account for about one third of the total lending of the cooperative banks.

Cooperative bank organization's share 20.4 % of the total deposits by the public in all financial institutions

During the last decade the amount of deposits by the public increased faster in the cooperative bank organization than in all financial institutions in general. Thanks to this OKO's share in total deposits accepted from the public by all financial institutions increased from 19.5 % in 1965 to 20.4 % in 1975. The market share of the cooperative bank organization in time deposits by the public in all financial institutions was 22.8 % at the end of the year.

OKO's balance sheet as at December 31st, 1975 totals 3,200 million Finmarks

Osuuspankkien Keskuspankki Oy (OKO) is the third largest commercial bank in Finland. At the end of 1975, the balance sheet total of OKO was 3,173.8 million Finmarks. In 1975, deposits accepted by OKO from the public grew by 35.4 million Finmarks totalling 143.9 million Finmarks at the end of the year. The so-called liquidity reserve of the cooperative banks in OKO increased by 216.3 million Finmarks. Cooperative banks' other deposits and current accounts in OKO increased by 48.0 million Finmarks. Total of cooperative bank deposits in OKO amounted to 1,173.6 million Finmarks. At the end of 1975, the total of credits granted by OKO and the share and bond investments made by it was 431.9 million Finmarks more than the year before. The lending (loans from government funds excluded) by OKO to cooperative banks increased by 120.7 million Finmarks and the credits to other clients by 225.1 million Finmarks respectively totalling 1,614.9 million Finmarks at the end of the year. Credits arranged from government funds to cooperative banks through the intermediary of OKO totalled 793.6 million Finmarks at the year-end. The growth of the total lending was 27.2 %.

Mink farming is big business in Finland

In line with its operating responsibilities the Central Union of the cooperative banks working side by side with Osuuspankkien Keskuspankki Oy gave advice to cooperative banks for example on legal matters and corporate research. Special attention was paid to the planning of personnel policy, development of business, management training and professional training of officials. Centralized support was given to systematic long range planning of the cooperative banks. The marketing activity covering the whole cooperative bank organization also achieved satisfactory results.

Change of the Chairman of the Board of Administration

As laid down in OKO's articles of association, Mr. Martti Miettunen, Provincial Governor, Chairman of OKO's Board of Administration, resigned his duties having reached retirement age. The new Chairman of the Board of Administration appointed on May 11th, 1975, was Mr. Esa Timonen, Provincial Governor.

Mr. Matti Latola, member of OKO's Board of Management responsible for OKO's foreign affairs, resigned his duties in OKO's management after his election as Managing Director of Osuuspankkien Keskusliitto r.y. (Central Union of the Cooperative Banks). The foreign department is now the responsibility of Mr. Seppo Konttinen, President.

Big financing projects

OKO acted as co-manager in the Metsä-Botnia financing operation which is one of the largest investments in the private sector in Finland at present.

Fur financing for Messrs. Turkistuottajat Oy — Finnish Fur Sales Company Ltd. OKO has taken care of the whole financing requirements, both domestic and foreign. This company is the world's largest exporter of furs.

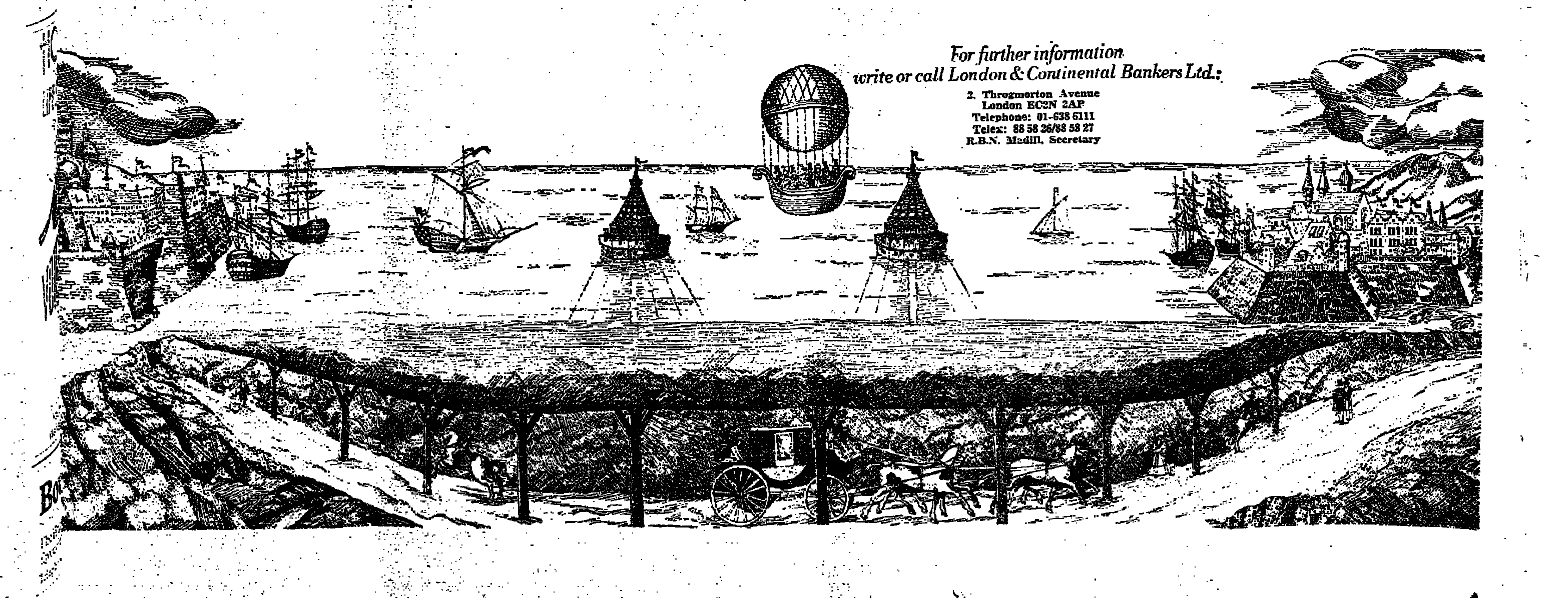
OKO is the main financier of the Finnish dairy industry. Investment activity in this industry expanded further and focused on the production of powdered milk. Finland is an internationally renowned exporter of cheese, butter and powdered milk. Total exports of cheese, butter and powdered milk surpassed 50 million kilos in 1975.

London & Continental Bankers Ltd. provides access to powerful placement capability of its shareholders

Shareholders at a Glance

Name	Balance Sheet Total*)	Number of Offices	Share in LCB %
Deutsche Genossenschaftsbank, Taunustor 3, 6000 Frankfurt/Main, Germany - Tel.: 2 56 31. LCB Directors: Dr. F. Viehoff, H. Guthardt, Dr. K.-H. Schneider-Gädicke, F. Strunz	£ 39,751,516,764 as of Dec. 31, 1975	19,500	50.24
Andelsbanken A/S Danebank, International Division, 37, Vester Farimagsgade, 1504 Copenhagen V, Denmark, Tel.: 14 33 82. LCB Director: M. Tamming Johansen	£ 735,188,000 as of Dec. 31, 1975	287	5.02
Banca Nazionale dell'Agricoltura, Via Salaria, 231, Rome, Italy. Tel.: 8 58 81. LCB Director: Dr. U. Quarania	£ 4,295,388,000 as of Dec. 31, 1975	142	2.51
Banque Fédérative du Crédit Mutuel, 34, rue du Wacken, 67002 Strasbourg-Cedex, France, Tel.: 32 48 41. LCB Director: R. Goergler	£ 1,263,134,650 as of Dec. 31, 1975	1,100	2.51
Caisse Nationale de Crédit Agricole, 91-93, boulevard Pasteur, 75015 Paris, France, Tel.: 5 38 52 02. LCB Director: A. Jeancourt-Galignani	£ 25,603,500,000 as of Dec. 31, 1975	9,000	7.54
Centrale Rabobank, Beneluxlaan 33, Utrecht, The Netherlands, Tel.: 36 91 11. LCB Director: Dr. G. J. M. Vlak	£ 8,477,000,000 as of Dec. 31, 1975	3,145	10.05
CERA - Centrale Raiffeisenkas, Minderbroedersstraat 8, 3000 Leuven, Belgium, Tel.: 22 79 31	£ 972,480,489 as of Dec. 31, 1975	1,000	2.51
Föreningsbankernas Bank, Grev Turegatan 30, 102 40 Stockholm, Sweden, Tel.: 22 43 20. LCB Director: I. Johnselius	£ 1,265,470,000 as of Dec. 31, 1975	750	2.51
Genossenschaftliche Zentralbank AG, Herrengasse 1, 1011 Vienna, Austria, Tel.: 63 26 36. LCB Director: Dr. H. Klauhs	£ 4,855,000,000 as of Dec. 31, 1975	1,982	10.05
Osuuspankkien Keskuspankki Oy, Arkadiankatu 23, 00100 Helsinki, Finland, Tel.: 44 00 41. LCB Director: S. S. Konttinen	£ 1,886,641,915 as of Dec. 31, 1975	1,195	2.51
S.G. Warburg & Co. Ltd., 30 Gresham Street, London EC2, Great Britain, Tel.: 600 45 55. LCB Director: T. H. Petschek	£ 459,725,000 as of March 31, 1975	1	4.55

*) These totals include the integrated member institutions.



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Minister refutes SNP oil for a century policy

BY RAY DAFTER, ENERGY CORRESPONDENT

GOVERNMENT Minister has allenged claims by the Scot-h National Party that produc-on of North Sea oil could be etched over 100 years. Such a policy, said Dr. Dickson Mabon, Minister of State for Energy, would frighten away the oil industry.

Dr. Mabon's statement will be regarded as significant by offshore operators who are still anxious to hear a categorical statement on the, Government's future depletion policies.

In a letter to Mr. Gordon Wilson, the Scottish National MP for Dundee East, Dr. Mabon said that if oil companies were forced to eke out production of offshore fields for 100 years there would be an immediate loss of many thousands of jobs.

"The oil companies would not even cover their capital and operating costs on existing fields, so that there would be no profits to tax," Dr. Mabon wrote.

"Future fields would not be developed at all unless the SNP subsidised foreign oil companies to develop them. There would be no further offshore related orders from the oil companies for years. The offshore industry would grind to a halt and Scottish unemployment would rise."

An SNP pamphlet maintains that with self-government "Scotland's oil" would be worth at least £1bn. a year for a century. "If London control continues. Scotland's oil will last only 20 to 30 years."

The pamphlet also contends that the total costs of developing the oil works out at less than 2p per gallon, another figure refuted by Dr. Mabon. He maintained that the true figure was closer to three or four times that amount.

Nationalists under Labour Party attack

BY RAY PERMAN, SCOTTISH CORRESPONDENT

E LABOUR PARTY yesterday cused the Scottish National rty of greed, arrogance, sub-rsion and lies.

t came in a new monthly gazine called Attack intended provide party workers with munition for use against the tionalists. It exhorts readers send in items about SNP ivities.

Speaking in Glasgow Mr. orge Robertson, vice-chairman the Labour Party in Scotland, d that the magazine was the rt of a campaign against the tionalist Party.

t is certainly the most out-ken attack on the SNP so but it remains to be seen ether Labour can sustain it repulse the Nationalist ance in the working-class as of West Central Scotland ich provide the Government's ver base north of the border. attack includes personal in-tive against individual Nationalist MPs, accusing Mrs. Winnie Ewing (Moray and Nairn), Mr. George Reid (Clackmannan and East Stirlingshire) and Mr. Douglas Henderson (East Aberdeenshire) of double talk.

The magazine also makes considerable play of the amusing flight of fancy in a letter to a local newspaper purporting to have been written by an SNP councillor. It started a debate over whether the town of Berwick should be returned to Scotland after independence or given special status similar to Andorra.

But last night the SNP said that the newspaper concerned had admitted that it had been hoaxed. The letter was not written by the councillor named.

The SNP claimed that the Labour magazine was a "penny dreadful" and the party had been panicked into producing it by the Nationalist advance into Labour's heartland.

Worries on energy saving policy

INDUSTRY is becoming increasingly concerned about the Government's attitude towards energy conservation (writes Ray Dafter).

A report prepared by the Industry Group of the Advisory Council on Energy Conservation,* published yesterday by the Department of Energy, says: "Industrialists appear to be beginning to question whether energy conservation is any longer an important part of the Government's policy."

Discussions with a wide range of organisations, including 14 major companies which use half industry's energy consumption, showed an inadequate awareness of the need for a continuing programme of energy conservation.

The Industry Group, therefore, recommended that increased attention should be paid to industrial energy conservation both now and in the future.

* *Advisory Council on Energy Conservation, Paper Four: Industry Group Report Session, 1975-76; published in the Department of Energy's special paper series as Energy Paper No. 15; SO, £1.20.*

MONOPOLIES REPORT ON FROZEN FOODS

Birds Eye almost cleared

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE UNILEVER frozen food subsidiary Birds Eye has been given a virtually clean bill of health by the Monopolies Commission. The only significant recommendation in the Commission's report on frozen foodstuffs, published yesterday, was that Birds Eye should abandon its practice of giving discounts to shopkeepers who give the company's products space in their freezer cabinets.

But even this recommendation was conditional on the other major frozen food suppliers—Findus and Imperial Foods—taking similar action.

The Commission was also mildly critical about certain aspects of Birds Eye's other marketing practices, such as the giving of retrospective discounts geared to specific sales targets and the lending of freezer cabinets for exclusive stocking of Birds Eye's products, but did not see fit to make any definite proposals about them.

The Commission found a monopoly existed in the market because Unilever, mainly through its Birds Eye subsidiary, supplies at least one-quarter of the market. Birds Eye argued at the time of the original reference that frozen foodstuffs did not constitute a self-contained market but were competitive with a whole range of other foods.

The Commission concluded that the monopoly position itself was not against the public interest, though certain of Birds Eye's practices were. It found that Birds Eye's efficiency and innovation were above average; profits were not excessive and the company had not exploited its position as a price leader.

The hardest criticism of Birds Eye was related to the granting of discounts for reserving cabinet space for Birds Eye products. These arrangements, the Commission said, put smaller suppliers at a disadvantage in introducing their products to retailers. The reservation of freezer space also restricted competition among the three major suppliers.

Unfair

Such a practice, the Commission concluded, was against the public interest.

The Commission also noted that the discounts were not directly related to cost savings and although they encouraged larger orders they do not, in its view, provide adequate incentive to invest in the additional cold storage needed for larger deliveries, and so place larger and less frequent orders.

The Commission decided, however, that it would be unfair to prevent Birds Eye giving such discounts if its major competitors continued to do so. For this reason it recommended that Birds Eye should be required to abandon its practice of giving discount arrangements only if the other major companies followed suit.

Birds Eye admitted that the difference in discounts given to certain suppliers bore little relation to the different costs involved in supplying them. But it intended to introduce a graduated scale of discounts related to size of orders.

The Commission concluded that this new discount structure would go some way towards meeting its dissatisfaction with the weak link between Birds Eye's discounts and cost savings involved in larger deliveries.

The Commission did not come to any conclusions on the impact of these discount arrangements on small retailers but concluded that, given the bargaining strength of the major retail chains and competition with other processors of frozen foods, it was not necessary to recommend any further steps to deal with the large discounts obtained by big retailers.

It hoped that the other major suppliers would find it possible to adopt similar discount policies to those proposed by Birds Eye.

Retrospective discounts geared to specific sales targets were also open to objection, the Commission said, because they encouraged retailers to concentrate purchases on a single supplier, and were not directly related to cost savings.

It concluded, however, that because they were "insignificant" in relation to total sales and because Birds Eye intended to phase them out, there was no case for interfering with them. This would seem to mean technically that Birds Eye would be free to re-introduce such discount deals if it wanted to, despite the Commission's criticism.

The report also found that the lending of freezer cabinets for exclusive stocking of Birds Eye products was restricting competition but only to a trivial degree because of the very small number involved. It would have recommended prohibition of any further loans had Birds Eye not said that its policy was not to make them.

Justified

Referring to the growing home freezer market, the Commission said that it would be a matter of serious concern if Birds Eye were to attempt to build up business in this field by running its County Fair operation at a significant loss for an extended period of time.

The County Fair business was, however, relatively new and small and Birds Eye expected it to break even in the near future. For this reason the Commission found nothing against the public interest in the pricing policy of County Fair.

Frozen Foodstuffs. A Report on the Supply in the U.K. of Frozen Foodstuffs for human consumption. House of Commons Paper 674. SO: £1.50.

New guide to official statistics out to-day

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

IEW 400-page guide to official istics is published this morn- in what Sir Claus Moser, d of the Government Statisti- Service, describes as "an pitious attempt to make fact-ing a whole lot easier."

he new reference book* has en the Central Statistical ce several years to compile lose collaboration with other ernment departments and es after a recommendation the former Commons Esti-es Committee.

s aim is to provide a detailed le to statistics available from official and non-official publi-ons, with around 2,500 ces identified.

he initial print will be 5,000, it is intended to bring out w edition in early 1978.

a forward to the guide, Sir is says: "A widening area of rnment concern and involvement, a greater demand for good management information, together with the increasing complexity of all aspects of our society and a much faster pace of change, have all led to a tremendous growth in the range and volume of official statistics. Consequently, this publication is far more ambitious than anything previously attempted."

A wide range of subjects is covered in the guide, including statistical sources on climate, religion, industry and the public services as well as the economy.

On tourism, for example, the guide covers 26 regular sources and 10 occasional ones, including a publication listing bed-space occupancy rates in Welsh hotels and the impact of tourism on the balance of payments.

* *The Guide to Official Statistics: SO, £7.50.*

Teacher breakdowns double in 10 years

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

NUMBER of men teachers ifying for pension because reakdown has doubled over past ten years, according to port published to-day by the onal Association of School-ters and Union of Women hers.

e report attributes increas- pressure on teachers to ering among staff, noise, bad nisation, disruptive pupils the change from grammar omprehensive schooling.

suggests that teachers ld be "emotionally inoculated" by being made aware that stress is inseparable from their work and being assured that they can expect wide support.

In a foreword to the report, Mr. Terry Casey, general secretary of the combined union, says that retirement at 60 should be the norm with a minimum pension of two-thirds final salary, and that older teachers finding it hard to cope should be encouraged to retire earlier still.

Stress in Schools. NAS/UWT, Swan Court, Waterhouse Street, Hemel Hempstead, Herts. £2.

Schemes to train teenage workers start next year

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

FIRST two-dozen experi-al "vocational preparation" nes for teenage workers are tart early next year, the rtment of Education and ce said yesterday. Four will Scotland and the rest in ind and Wales.

e schemes will cover office warehousing and packag-etailing, food and catering, eering and construction.

en the programmes were suggested by the Training Services Agency the idea was that they should be run experimentally for children in the late stages of schooling. But opposition from the Department of Education and Science has led to their exclusion from the schools system.

As a result they will be mainly for 16-to-19-year-olds who have managed to get jobs and are released by their employers to attend. In some cases, however, unemployed school-leavers will also be allowed to take part.

N.E. Coast Shiprepairers in £1m. conversion deal

BY JOHN WYLES, SHIPPING CORRESPONDENT

STATE-OWNED North Coast Shiprepairers has a £1m. ship conversion con- which will provide three hs' work for 350 men.

e conversion, now under at the company's Middle at South Shields, is of a d Baltic Corporation vessel for carrying cars and news-

e ship, the Baltic Vanguard, emerge sometime in Janu- s a container vessel with an midship section 80 feet

en she arrived at the Docks just over a fortnight ago, the ship was cut in two to make way for the new midship section. This lengthening process involves about 1,000 tons of steel.

When finished, the ship will be able to carry 172 20-foot containers.

This latest contract follows the recent completion by North East Coast Shiprepairers of one of the largest ship conversions undertaken in the U.K. For £7m. the Dalkeith, a bulk carrier, was converted over 18 months into a sophisticated drill-ship.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TRANSPORT

Controlling traffic in Hong Kong

FIRST British-built area traffic control equipment package for South East Asia has been shipped to Hong Kong by GEC-Elliott Traffic Automation of Borehamwood after successful factory acceptance tests.

The city has a particular problem in that vehicle population has risen to 190,000 on 700 miles of road whereas 15 years ago there were 40,000 on 500 miles of road. The latest figures also include 6,000 buses, trams and public mini-buses.

Initially, the scheme will cover 84 signalled intersections in an area of slightly over 3 square kilometres, covering the main commercial centre and controlled by two GEC 4080 machines.

Method of control is signal plan selection which covers the choice of any one of 20 traffic plans by time of day according to a timetable which allows up to 95 changes of traffic plans per seven-day week.

These traffic plans are generated off-line using the Road Research Laboratory's Transyt programme.

Any plan can be selected by the operator to suit abnormal conditions and one important facility is ability for the operator to choose "green wave" mode so that fire appliances can reach the site of a fire without being hampered by red lights. Such emergency calls on the system are entered at the fire stations by means of special push-buttons which allow the particular station to tell the computer where the fire is. It evaluates the request and then sets the signals for the appropriate green wave.

What the exact savings to Hong Kong will be are not yet known. West London's scheme is estimated to have improved journey times by some 9 per cent, with a consequent saving in fuel consumed, wear and tear etc., calculated by RRL at £2¼m. in a year. The smaller Glasgow scheme has returned a figure of 12 per cent. improvement with annual savings of £½m.

The Hong Kong scheme is expected to bring a 15 per cent. improvement and the saving could be several times that experienced in Glasgow.

The company is at Elstree Way, Borehamwood, Herts WD6 1RX. 01-953 2030.

● HANDLING

Weigher can fit in a small space

LATEST belt weigher from Avery Parsons of Dewsbury is the Type 9521, which indicates feed rate and registers total weight of material carried by a belt conveyor. Instantaneous belt load and belt speed signals are combined to produce a true feed rate output which is integrated against time to record total weight.

The weigher is compact and is easily installed between carrying and return belts without the need for alterations to the conveyor frame or a special weigh idler. Rigid construction means that pivot points are eliminated—reducing maintenance and increasing durability—and tie rods ensure stability.

Errors due to eccentric loading or badly tracked belts are eliminated by direct loading on to two compression load cells, hence preventing misalignment.

The equipment is extremely robust and will work in adverse conditions. Since surface areas for dust build-up are negligible, long term zero stability is ensured and weatherproof construction makes the equipment suitable for outdoor installation.

A three position test switch permits the load cell and tachogenerator outputs to be indicated and checked on the panel meter normally used for feed rate indication. The instrumentation is contained in a weatherproof case suitable for wall mounting, and plug-in solid state integrated circuits are used throughout for reliability.

Avery Parsons, POB5, Scout Hill, Dewsbury, West Yorks, WF13 3RF.

Muscle to take the strain

IN THE Swedish engineering group, Kockums, many repetitive lifting jobs have been simplified and made easy with the development by the company of a mechanical lifting aid.

Called the Muscle, it can lift up to 500 lb and place it accurately almost anywhere within a 20 feet diameter circle. It consists of a steel pedestal carrying a turntable fitted with a *double-jointed arm*. The arm carries a "wrist" capable of 360 deg. movement, to which can be fitted various grippers, and a range of pneumatic or electric tools.

Lift power is supplied by a 1 hp DC motor which drives pantograph levers through a rack and pinion. The motor is thyristor controlled from a twist grip at the "wrist," providing an infinitely variable speed of lift or lower to a maximum of 18in/sec. With the control in neutral, a brake is automatically applied, so the load can remain suspended in any position.

All other movements of the arm carried out by the operator, but as the arm is counterbalanced, the company says the load can be moved in any direction in an almost weightless state. To speed movements over known distances, limit stops can be pre-set.

The Muscle, which costs £4,500, is marketed in the U.K. by Kockums Industries, Boyn Valley Industrial Estate, Maidenhead, Berks., SL6 4EH (0628 39944).

● MATERIALS

Aluminium soldering advance

A PROBLEM throughout industry, but particularly the electronics and electrical industry, has been the fact that under normal workshop conditions aluminium cannot be soldered due to the rapid formation of the oxide on a cleaned surface.

This appears to have been changed by a development announced by Harwell which, it is claimed, enables the metal to be soldered as easily as copper.

The system sputters nickel in vacuum under conditions which ensure that the atoms dislodged from the nickel cathode chemically bind with the 30 angstrom aluminium oxide layer on the specimen forming the anode. The result is an evenly deposited coating of nickel about 500 angstroms thick, the strength of which is unaffected by soldering temperatures or the passage of time.

Most important application would be to aluminium wire, rendering *this cheaper* alternative to copper easily solderable. Cost added to the wire by nickel coating would, states Harwell, be "small," but as yet no costings for full scale production are available.

The scaling up from laboratory research to prototype follows two years of work on sputtering techniques at Harwell supported by funds from the Engineering Materials Requirements Board of the Department of Industry.

As well as aluminium, oxide ceramics and glasses can be coated with nickel, with applications to seals in vacuum plant. Engineering components too can be protected by coating with corrosion-resistant materials such as stainless steel.

Harwell scientists are enthusiastic about the scope for profitable application and are now looking for industrial partners in order to develop full scale plants. Contact building 329, Harwell, Oxfordshire, OX11 ORA (0235 24141).

● SECURITY

Data stored in safety

A SECURE off-site storage service which could cut costs by releasing customers' expensive office space and computer accommodation and reducing insurance premiums has been launched today by a company called Safestore.

Based at a secure data vault headquarters in Greenwich, Safestore is only 4½ miles from the City centre to which average travelling time is less than 15 minutes.

The service caters for all types of data, from computer tapes and discs, cine and microfilm and video tapes to computer stationery and archival records.

Storage areas include air-conditioned bays for tapes, disc packs, microfilm and microfiche, and these are available either as communal areas or for the exclusive use of individual customers. They are constructed with racking to hold any type of magnetic media and the dust-free environment is constantly controlled at a temperature of 70°F ±5° at a humidity of 50 per cent. ± 5 per cent.

A computerised inventory and retrieval system uses customers' own code numbers and this ensures fast and efficient retrieval and eliminates logging errors. Instant access is available to any stored item and there is a 24-hour collection and delivery service operated jointly with Wackenhut UK.

Safestore, Borthwick Street, London SE8 3HQ 01-691 4411.

Shuts gates remotely

SWING GATES up to seven metres wide in new or existing installations can be controlled from an adjacent gate house or any other remote point using the 861 unit put on the market by Clarke Instruments.

Driving and position-sensing mechanisms are embedded in concrete near to the gate and connected to it by a heavy operating lever. The operator has "open" and "close" command switches and the motion of the gate is stopped by limit switches in the two extreme positions, indicated by lamps on the control box.

If security is of special importance the system can be used in conjunction with closed-circuit television, voice intercommunication systems, electric locks and radio remote control. It has the advantage that pedestrian as well as vehicular traffic is controlled. Installation by the company takes about one day. More from 91A, High Street, Camberley, Surrey, GU15 3RN (0276 27105).

Light touch does the sums

DESIGNED by Adler and offered in the U.K. by Office and Electronic Machines is a tiny calculator thought to be the first in the world driven by solar power. And that is not as far-fetched as it seems, since the solar cells with which it is equipped will also pick up energy from any light source including *ordinary electric bulbs*.

So the "Solar—1980" needs no ordinary batteries or recharging units or adaptors. It has three small storage cells to which the power derived from the solar units is constantly fed while the unit is in use or lying idle on a desk.

The solar cells surround the display and cover the entire upper part of the calculator.

The designers believe users will get 10,000 hours of calculations out of the unit which is based on an eight-digit liquid crystal display, with floating decimal point, automatic percentage and square root as well as storage of positive and negative inputs.

If anyone should want to try it, the unit will operate ten hours non-stop and a *full recharge would then mean 3½ hours* exposure to sunlight or five hours to electric light at normal office levels. In practice, though, as the cells are always recharging, length of time the unit can be used is unlimited.

Dimensions of this unit are 9mm thick by 75mm wide by 125mm high. The weight is about three ounces and it is truly a breast-pocket calculator.

Office and Electronic Machines, 107, Fleet Street, London, E.C.4. 01-583 8183.

● PROCESSES

Shredding paper at high speed

BULK DESTRUCTION of high security risk paper and documents, and the volume production of shredded paper packaging can be obtained with the Ventris 1000, paper shredder capable of a maximum rate of nearly two tons/hr.

Designed and built by Prodac, 34 High Street, Thatcham, Berks., RG13 4FD (063563208), the machine is based on a ZMK 600 carton destroyer, used as a pre-breaker, and twin TA4/500 shredders, both made by EBA Maschinenfabrik, Balingen, West Germany. These machines are linked by an impellor/aerator system and a separator system, made by Air Plants (Leicester).

The pre-breaker takes wads of paper, computer print-out, cheque books, etc., up to telephone directory thickness, and breaks them into 40 mm wide sections. The sections are hurled by an impellor into a 4,000 ft./min. air stream which divides them into individual sheets of paper. The sheets pass through the separator, which removes dust particles, and into the shredders where the paper is reduced to 8 mm wide strips. This can be automatically bagged in polythene and sold as packing material.

Cleaning up workpieces

ONE OF the most common problems in engineering is provision of an effective and fast de-greasing or cleaning process. In the automotive and machine tool industries especially, efficient degreasing is one of the most important operations in the total production programme.

Pribo TL1 Parts Cleaning Machine from Price Bros., Swindon, provides a fully automatic and high-capacity approach to all normal industrial cleaning operations on small parts. Thoroughly cleaned items are ready in about four minutes; the parts to be cleaned are simply placed in the fixed circular wire basket, and the heated solvent is sprayed on them under pressure from every direction through a revolving sparge system.

The sparge rotates around the basket at about 10 rpm, powered only by the "jet effect" of the liquid spraying out of the slightly-offset holes spaced around the inside of the spray bar itself; the re-circulating solvent passes through a full-flow filter.

Any number of small parts, or one large item, may be cleaned simultaneously up to the physical limitation of the 29 inch diameter basket with a maximum height of 17 inches for the parts themselves.

Price Bros. (A. T.), Holbrook Street, Swindon, Wilts. 0793 20246.

Pulsing coolant mist spray

THE VBK Mistomatic mist coolant spray now has a trip switch operated pneumatic valve which enables the equipment to be coupled to a variety of automatic and semi-automatic machine tools, and mechanical handling equipment, such as tunnel oven conveyors.

The device, which requires a supply of compressed air at 20 to 100 psi to operate a venturi sucking coolant from a tank, saves on the use of lubricant because the spray is delivered only when the valve is open. The switch controlling the air flow to the venturi can be operated by a cam, trip, or similar device coinciding with the work-cycle of the machine.

The company marketing the spray, Extrusion Developments, Cambrian Works, London Road, Tetbury, Glos., GL8 8HJ (0666 53177), has also introduced a magnetic base for the unit to simplify positioning.

Supply for sputtering

DESIGNED FOR those who need a high voltage supply for the deposition of metallic films by sputtering is the model HPI 10,000RX from Hartley Measurements, Hartley Witney, Basingstoke, Hants. (025126 2525).

It is able to supply 60 kW of continuous dc output (0 to kV at 10 A) and has a short term rating of 90 kW. Servo regulation is provided against ±5 per cent. line voltage variation and the input requirements are 480 volts three phase at 100 kVA.

A fast trip circuit gives protection against short circuit conditions exceeding 15 amps; a separate circuit protects against overloads between 10 and 15 amps and incorporates a three minute trip delay to allow output power to recover automatically from overloads of less than that duration. Main power cabinet measures 52 x 53 x 58 ins. and weighs about 3,0000 lb.

● SOFTWARE

Working in networks

GENERAL RELEASE has been made by IBM of a series of licensed programs which will allow one or more computers and an unspecified number of terminal units to operate in a single network, giving users at one computer a considerable amount of freedom to call in the next machine in line, or specific terminals reporting to other computers in the network.

To a large extent, the new programs will absolve companies electing to go for the use of a computer supporting many types of terminals, or computers working with each other and families of terminals, from writing the higher-level software which will enable the network to operate as an entity.

In particular, the release will make access of data bases at one site easier to achieve from a computer at another site than has been the case so far.

More from IBM on 01-835 6600.

● MACHINE TOOLS

Learning the drill

AT ITS customer training centre in Halesowen, the Coromant cutting tools division of Sandvik U.K. has installed a £70,000 advanced deep drilling machine, the only one of its kind in this country.

Built by Gildmeister and Knoll, West Germany, to Sandvik's own specification, it can carry out gun drilling, ejector drilling and BTA drilling (trepanning).

Sandvik says it has made the investment as part of a campaign emphasising the need for British industry to review drilling methods. In the majority of plants, traditional twist drills are still used in application where the latest systems could produce far higher metal removal rates.

The new machine (two have been ordered for the company's Swedish factory) will be used to show training course participants how the Coromant range of ejector drills, T Max solid drill heads, counterboring heads and trepanning heads can raise output by up to 500 per cent.

Diameter of holes drilled will be up to 120mm with depths to 1,000mm. There is an infinitely variable speed range between 140 and 1,800 rpm, and a feed rate from 20 to 425 mm/min.

Although primarily intended for customer training (about 90 per cent. utilisation), the new machine will also be used for testing new tools, and the company is interested in inquiries from customers wishing to test drill their own workpieces.

Details from Sandvik U.K., Manor Way, Halesowen, West Midlands B62 8QZ (021-550 4700).

Milling and boring machines

HECKERT, now a member of WMW, the German Democratic Republic's machine tool group, has introduced a range of three numerically controlled bed-type milling machines.

Modular in concept, the machines are basically similar in construction—one has a horizontal spindle, another a vertical spindle, and a third a six-station turret head. They are designed primarily for milling and boring and are not "NC drills."

Tables are 500 by 1,000 mm., longitudinal traverse 870 mm. and cross traverse 460 mm. Maximum workpiece load is 700 kg. Longitudinal, cross and vertical feed rates are infinitely variable from 20 to 2,000 mm/min, and rapid traverse is up to eight metres/min. in all axes.

The spindle motor is 23.5 hp and spindle speeds range from 31.5 to 3,150 rpm. On the six-station turret machine a 90 deg. indexing table enables heavy milling and boring operations to be carried out on a four-sided component.

The control system is an AEG 431, but other systems and packages can be supplied. The machines are marketed in the U.K. by William Watts, PO Box 27 Lenton Industrial Estate, Abbeyfield Road, Nottingham NG7 2TE (0602 861331).

● AUTOMATION

Precise control of stepping

TRANSLATION of digital information into completely reliable and accurate mechanical movement remains a problem in numerical control of machinery, particularly with the need for minimum setting time, and because of overshoot and hunting.

Problems are minimised, it is claimed, by the DMC digital indexer put on the market by Unimatic Engineers and suitable for use with the company's Sigma stepping motors, although it can be interfaced with a wide range of other stepping motor drives.

DMC-10 provides both acceleration and deceleration ramps that are adjustable, digital pre-setting of the stepping speeds, and manual or remote data input of the number of steps a motor is to take.

Manually any speed can be set on edge-operated digital switches with the speed quartz crystal controlled and stable within 0.2 per cent. Remotely the unit can be operated from a computer or multiplexed BCD. More from 122 Granville Road, London N.W.2., (01-455 0012).

● ELECTRONICS

Measures threadline tension

WHERE accurate measurement of the tension of a threadline is essential in textile yarn processing, a *single position portable* tensiometer marketed by FMK Manufacturing can be used.

Called the TenScan, it has been developed for use on friction-twist draw-texturing machines, processing polyester and nylon yarns at speeds up to 1000 metres/min.

Yarn tensions from 10 to 100 grammes can be measured on any angle of threadline, to an accuracy of ± 2 per cent. When variations of yarn tensions are caused by sudden yarn speed changes, it is claimed the tensiometer will record tension changes without loss of accuracy.

As an evaluation tool, the unit can be used to measure the tension of a running threadline from one position to another. The sensor head can be detached and fixed in position when prolonged studies of threadline tension are required.

It can also be used to set-up friction-twisting machines during commissioning, and for random spot checks in quality control.

If required, the unit will transmit tension readings to a printed data output and/or a graph recorder. The unit requires a mains supply, but a model with a re-chargeable battery will shortly be available. A version capable of measuring tension in excess of 1,000 grammes is also being developed.

Details from FMK Manufactur- (0625 29433). ing, Park Green, Macclesfield,

● LUBRICATION

Pumping in arduous conditions

UNIT AUTOMATION of Tenterden, a small company specialising in the design and construction of process control and automation equipment of advanced concept, has won a large order for the supply of 17 precision-built oil lubrication units worth some \$1¼m. from the Arabian American Oil Company (Aramco) of Saudi Arabia.

They will be used to lubricate bearings of seawater injection pumps, associated gearboxes and drives. Two separate skid packages comprise, on one skid, reservoir control valves to monitor flow and temperature of the oil, pressure and filtration equipment in the line. The second skid contains the cooling equipment for the lubricant system. All the units are designed to operate in extremely arduous, high temperature desert conditions, continuously, and are equipped with auxiliary units to guard against equipment breakdowns or power failures.

The pumping equipment will form a vital part of the Aramco seawater supply project in Saudi Arabia, expected to be the largest in the world for the injection of treated water into an oilfield.

This is a feather in the cap for a company with only 65 staff.

Further from Unit Automation at Bridewell Lane, Tenterden.

● TEXTILES

Speeds up memory burn-in

WHERE A large number of programmable read-only memories (PROMS) have to be programmed on a production basis, Data I/O U.K. can offer a production sequencer for use with the model 3 and 5 programming machines.

It provides the hardware for fast fail-safe operation with a visual display of the process and errors. If a PROM is improperly inserted into the programming socket or if there is an open circuit pin, the sequencer resets the programmer, displays the cause *of the malfunction and* prevents the machine from physically programming the device. No damage can occur to the device.

Operation with the sequencer is initiated by a single button. The sequencer then checks for continuity between the IC socket and the PROM. If this test is passed the sequencer initiates the normal blank check, program and verify sequence.

If there is any lack of continuity, if the device is not blank or if it fails to program or verify, the process is stopped and the cause of failure is shown on the panel. More from 11 Duke Street, High Wycombe, Bucks. (0494 22525).

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

هكذا عدد الأصل

HOME NEWS

Chevron finds more oil close to Ninian Field

BY RAY DAFTER, ENERGY CORRESPONDENT

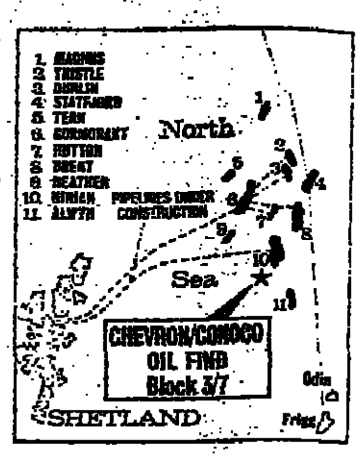
E CHEVRON offshore explora- group has made another oil covery, some 90 miles north t of the Shetlands.

he find, close to Chevron's ian Field, is the second on 3/7 block although the two overies are believed to be on arate fault structures.

he latest well, drilled by the i-submersible rig Dundee gsnorth, found oil accumu- ons in a Middle Jurassic . Oil flowed at an estimated imum rate of 3,300 barrels a —about the same rate as wn by tests on the first dis- ry in June.

hevron is saying little about size or the commercial pros- s of the two finds. It is uating the information re deciding on a further ing programme.

is thought within the indus- however, that the tests go a way towards confirming a ll to medium sized accumu- n of oil, stretching across the boundaries of blocks 3/7 and 3/2.



The latest well was a jointly-financed effort by the licensees on the two blocks, with Continental Oil, the operator for the 3/2 partners, acting as supervisor for the rig activities.

If the accumulations on the two blocks are confirmed as commercial, development is likely to be linked with spare capacity in the nearby Ninian pipeline.

The partners in block 3/7 are Chevron Petroleum, British National Oil Corporation (Ninian), Imperial Chemical Industries, Murphy Petroleum, Ocean Exploration, Canada Northwest Oil (U.K.), Boadicea (Exploration), Denison Mines (U.K.), Great Basins Petroleum (U.K.), Scurry-Rainbow (U.K.), Peyto Oils, Patrick Petroleum (U.K.), Trans-Canada Resources (U.K.) and Oakwood Petroleums (U.K.).

The block 3/2 partners are Conoco North Sea, BNOC Exploration and Gulf Oil Exploration.

● British Petroleum announced yesterday that production drilling had started on the fourth platform on the Forties Field. Oil is expected to flow from the platform in spring, 1977. In the meantime, the first three platforms are producing at the rate of 330,000 barrels a day.

PLA to make radical changes

By John Wyles, Shipping Correspondent

THE PORT of London Authority is to make radical changes in its managerial structure in a bid to attract badly needed new trade.

Details of the proposed changes were outlined yesterday to trade union and staff representatives. Needing to finance a labour surplus which will cost more than £7m. this year, the PLA Board has decided that a new emphasis must be placed on "marketing" the port, and that this will require devolution of management responsibilities.

The new structure, introduction of which will start over the next few months, is partly a product of a review of PLA management by McKinsey and Co. and partly a reflection of the philosophy of Mr. William Bowey, who became PLA managing director at the beginning of the year.

In essence the managerial changes will create operational units relating directly to main trades handled by the PLA, such as containers, packaged timber and bulk wine. Individual units will be responsible for the appropriate cargo-handling charges, for marketing the PLA's facilities for handling the various categories of cargo, and for fixing required manning levels.

This will represent a considerable shift away from the present geographical system of management, based on the three main docks at Tilbury, the Royals and West India and Millwall. Advantages claimed for the new structure are greater responsiveness to the customer's needs, greater flexibility in pricing, a sharper marketing edge and shorter lines of internal communication.

Although the PLA's traffic is believed to have been 7 per cent. higher in the first half of this year than in the same period of 1975, the port desperately needs higher revenues to cover the inflated overheads caused by its massive manpower surplus.

Last month the Joint Port Trade Development Committee of managers, trade unions and customers urged the Government to bear at least part of the cost of financing this surplus, which under the Dock Labour Scheme cannot be reduced other than by voluntary redundancy. The daily average surplus of dock workers last year was about 1,825.

The PLA's trading loss last year was £8.4m. The financial structure has been scrutinised at the Government's request by Price Waterhouse, whose report is nearing completion. Although no decision has been taken, an increase in charges from January appears inevitable following the decision earlier this year to defer a proposed 12½ per cent. increase due in June to attract more trade.

Montedison may join ICI at £12m. dyestuffs plant

BY RHYS DAVID, CHEMICALS CORRESPONDENT

MONTEDISON, the Italian chemicals company, may participate in a new dyestuffs intermediates plant being built at Stevenston, Ardeer, in Scotland by Imperial Chemical Industries.

The plant, which is already under construction, is expected to cost more than £12m. If a partnership is agreed, it will provide raw materials for dyestuffs manufactured by both companies. It will manufacture H-Acid which is used by ICI in its Procion fibre reactive dyes made at Grangemouth in Scotland.

This group of dyes, developed by ICI in 1956 for use on the cellulosic fibres, cotton and rayon, has received a major boost from the recent development of a dyestuffs package, Procion/PC which makes it possible to achieve high quality prints on polyester-cotton fabrics.

The possible new venture was disclosed in London by Sig. Guiseppe Ratti, director of Montedison in charge of foreign operations, but ICI said yesterday that negotiations had still to be completed.

Dyestuffs represent ICI's biggest export commodity with 80 per cent. of output, valued at £70m., going to overseas markets. Considerable expansion and investment in the company's main dyestuffs works at Huddersfield and Grangemouth has taken place in recent years.

Montedison itself has been seeking to broaden its manufacturing base, which is still largely Italian-based. The company is engaged with Monsanto, the U.S.-based producer, in constructing a major plant for the production of nylon intermediates at Seal Sands on Teesside, and is also investing heavily in Belgium, Spain and the U.S. It already has a link with ICI through a joint aniline plant about to be built in Sicily.

Sales improve

Sig. Ratti confirmed in London that a policy of seeking further joint ventures and a wider international spread of activities would continue to form an important part of Montedison's strategy for recovering viability.

The company is expecting to break even in its chemical activities this year, with sales in the first eight months running some 40 per cent. up on the same period last year. Further losses will be incurred, however, in the troubled fibre subsidiary, Montefibre, and in the company's supermarkets offshoot.

Sig. Ratti pointed to the various difficulties facing the company in its Italian operations. In particular, it had to contend with inefficient public administration, and inconsistent public planning, political pricing of some products, very tough ecological controls and the lack of insurance cover for investment abroad.

The company would be seeking, however, to capitalise on its strengths, including its deep involvement in overseas markets through the sale of plants and processes, the strength of the Italian processing industry, particularly in plastics, and its large research programme. Montedison's rationalisation programme worldwide was being undertaken with the objective of making much better use of its assets.

Rothmans to speed cigarettes plant plan

BY STUART ALEXANDER

A CRASH PLAN to bring a 500,000 square feet cigarette factory on stream before Christmas is being put into operation by Carreras Rothmans.

The company is to take over part of the Patons and Baldwins factory at Darlington, and although formal agreement is expected to be completed only to-day or to-morrow, machinery is due to begin to arrive on site on Monday.

Carreras announced that it would seek new production capacity in a development area in August, at about the same time that the price-cutting and heavy advertising campaign began in the king size sector of the market.

Exports

The new plant will be largely given over to Rothmans King Size, sales of which, the company says, have doubled in the home market.

Darlington, however, will concentrate on Rothmans' expanding export market, with the Middle East providing significant growth.

Initially Darlington, the fourth of the company's U.K. factories, will employ about 400 people but this is expected to build up to about 1,000 with production reaching about 1bn. cigarettes a month.

The first phase of the Darlington project will cost £8½m., with further investment in new plant and equipment at the company's other factories in Basildon and Rayleigh in Essex and Carrickfergus in Northern Ireland.

J. W. Cameron £5m. expansion

J. W. CAMERON, a brewing group taken over last year by Ellerman Lines, has announced a £5m. expansion programme—the biggest in its 100-year history.

The cash will be spent mainly on new equipment for a transport complex being installed near the brewery in the centre of Hartlepool, Teesside, and on increasing the group's capacity to produce its Icegold lager.

Cameron, which trades mainly in the north-east of England and has more than 700 of its own outlets, also intends to up-date and improve its soft drinks bottling lines.

EEC hopes on steel merger plan

David Buchan

BRUSSELS, Nov. 10.

EEC Commission is thought ely to raise any serious ob- on to the contested take- bid by Johnson and Firth n for its fellow Sheffield al steel company, Dunford Elliot.

t official clearance for the ed merger is not expected next month. Only mergers ng to a combined output ess than 200,000 tons of al steels a year are given anket exemption from Com- on scrutiny under the com- on rules of the European and Steel Community.

mmission officials here esti- that the proposed Sheffield er would produce nearly 00 tons a year.

C officials justify taking time in giving the take- clearance by arguing that British special steels mar- s, in EEC terms, relatively d, although imports from ontinent — especially from ce—have increased in the year. Therefore changes in market need careful study. t because there is already a nant domestic special steel icer in the British Steel ration, the Commission is to come down on the side Johnson and Firth Brown ver.

show rapped

Nationwide programme stepped the line" in a e on cosmetics, the BBC ammes Complaints Commis- ruled. The Toilet Prepara- Federation had complained he programme on March 10 unfair" and "contained in- acies."

nesmanship

m. national annual lottery rged as part of a rescue for sport and recreation. proposal came from the l Council of Physical ation which also called for or Government Minister to te voluntary work and y status to all sporting and tional associations.

More bad news for Post Office suppliers

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

THE POST OFFICE plans to stop ordering the traditional Strowger type of electro-mechanical telephone switching equipment by next spring, nearly three years ahead of its previous schedule.

It was learned yesterday that next year's revised order level of £10m. (down from the earlier forecast of £46m.) will consist only of peripheral exchange equipment and not switches themselves.

The Strowger switching factories of the Post Office's suppliers will therefore be hit even harder than was suggested by the figures released on Monday, when the corporation announced plans to cut its total exchange equipment orders by £220m. over the next 3½ years.

The Post Office last night replied to criticism from its suppliers that, if its latest calculations are correct, the new analysis techniques on which they are based should have been introduced several years ago.

It said that the new computerised techniques of matching exchange capacity to traffic flows had disclosed changes on both sides of the equation. The main factor is that available capacity is higher than had previously been thought, but traffic levels are also slightly lower.

It is thought that the new analysis has reduced the current level of trunk traffic by under 2 per cent. The forecast of 1980 traffic levels is also down by about 2 per cent., from 3.40bn. calls to 3.34bn.

Eight accused of fraud

BY KEITH LEWIS, CITY STAFF

THE SEVEN partners and managing clerk of the hammered stockbroking firm of Chapman and Rowe were remanded until February 7, accused of conspiring to defraud clients.

The eight defendants appeared yesterday at Guildhall, City of London Magistrates' Court. Each was granted legal aid. The present bail arrangements of £15,000 were renewed.

The charges allege that they conspired together between September 1, 1973, and April 2, 1974, to defraud clients of the firm by using without authority stocks and shares belonging to clients as security for loans granted to the firm by banks and other financial institutions. This was allegedly done by "diverse other fraudulent tricks and devices."

The accused are: Mr. Victor Thomas Andrews, Mr. Michael Childs Waller, Mr. John Maxwell Gordon, Mr. Ralph Clarke, Mr. Alan Harman, Mr. George Edward Miller, Mr. John Michael Goodsell and Mr. Herbert Neville Woolmer.

Mines bid fails

The North Yorkshire Moors National Parks planning committee refused planning permission for two potash mines at Whitby, which, it is claimed, could boost Britain's balance of payments by £70m. The applications could now go before a public inquiry.

More grants urged

Grants worth £446,350 for nearly 50 voluntary organisations in London in 1977-78 are recommended by the general purposes committee of the London Boroughs Association, £6,000 more than this year's figure. More than a third of the sum is to help drug addicts and alcoholics.

Government policies must be consistent—Treasury planner

BY ADRIAN HAMILTON

STRONG ARGUMENTS for consistency in Government policies towards industry were made yesterday by Lord Ryder, chairman of the National Enterprise Board, and Mr. Alan Lord, second permanent secretary of the Treasury and a leading progenitor of the Government's industrial strategy.

In a particularly detailed exposition of the industrial strategy, in a lecture at York University, Mr. Lord revealed much of the Civil Service thinking behind the recent change in policy towards industry.

Previous efforts at creating policy had been undermined both by the tendency to set targets from the top and by the constant changes in actions affecting industry.

Over the last 30 years, he said, "Governments, their professional advisers, economic commentators and even those whose business it is to represent industry, have attached much too much importance to "fine tuning" in the interest of running the economy at maximum output and much too little weight to the importance for industry (and particularly for manufacturing industry engaged in the high volume production of final consumption goods) of having a stable economic and fiscal environment in which to operate and plan for the future.

"For example, in the last 20 years there have been 14 changes in the rates of tax on quite ordinary domestic electrical appliances like refrigerators and washing machines and this is without taking account of changes in hire purchase terms which similarly affect the level of demand for products of this kind.

"Over the same period the motor car industry — an absolutely crucial industry — has fared if anything slightly worse.

"The effect of these changes has in the long run been highly debilitating, not least in the case of some of the changes which were meant to be an expansionary because these often tended to ignore the fact that manufacturing industry in Britain has a relatively low rate of response to increases in demand for its products so that any rapid expansion of demand risks at least a temporary increase in imports and at worst a permanent diminution of the home producers' market share."

Mr. Lord also suggested that a major policy defect of the past 20 years had been "the failure to provide any effective link btwn ana — taoin sbrdlu link between analysis, prescription and action as they relate to those economic problems which have their root in our inadequate manufacturing performance."

Too often calls from all quarters had tended either to concentrate on what other could do or tended to result in recommendations which address themselves primarily to the creation of new institutions.

Rush to beat oil-rig delay after storm

By Our Scottish Correspondent

HOWARD DORIS, the Anglo-French company building a platform for the Ninian Oilfield, has chartered extra concreting equipment to make up time lost in a freak storm 10 days ago.

The 150,000-ton base for the platform was towed out of the dock in Loch Kishorn in the Scottish Highlands in September, and 590 feet of superstructure has now to be added before the tow-out next summer.

The storm and an unofficial strike last week are thought to have delayed work by up to a month, but there is some slack in the production schedule, and the delivery date may not be postponed.

Fuel saving speed limits to continue

THE TEMPORARY speed limits introduced in 1974 to save fuel are to be extended for a further six months from December 1, Mr. William Rodgers, the Transport Secretary, said yesterday.

Mr. Rodgers added in a Commons written reply that he would welcome the views of interested organisations by January 31 on whether the limits should continue after the six months.

The maximum speeds are 60 mph for dual carriageways and 50 mph for single carriageway where no lower limit applies. The order does not affect motorways where the 70 mph limit remains.

Help UN plea

Britain should give a new lead in making the UN more effective, Lord Caradon, former U.K. Ambassador to the UN, said. Giving the Maitland Lecture of the Institution of Structural Engineers in London, he called for effective international action to fight "the mounting dangers of race and poverty, and narrow nationalism and super-power confrontation."

BOOKS

Adolf's admirer

BY C. P. SNOW

Unity Mitford: A Quest by David Pryce-Jones. Weidenfeld and Nicolson. £6.50. 276 pages

For me, David Pryce-Jones' biography of Unity Mitford is the most lowering book of the year. This is not the author's fault. He has interviewed everyone he could get hold of who had any contact with his subject, many of them in Germany and Central Europe. He has tried, rightly, to find any glimmer which could make his subject more attractive. He has struggled through a whole network of personal and political obstacles. At times these have made him lose his normal clarity, but he has emerged with his own version of the truth. The truth, or anything near it, couldn't be agreeable, and he doesn't make it so.

It isn't the personal story which is so distasteful. That is in essence—stripped of its high-powered associations — simple, banal, and in some aspects pathetic. Unity Mitford's effective life ended in 1939, when at the age of 25 she tried to kill herself. She didn't succeed, and dragged out some kind of existence for another nine years. She was a big, strong, heavy, lumpish girl, the least good-looking among outstandingly good-looking sisters. She had fair hair and large pale blue eyes. She had a curious physical characteristic, as though the muscles of her face didn't easily operate, rather as if she were a premature victim of Parkinsonism. Her expression was abnormally immobile, and she seems in many circumstances to have regarded other people with an impassive glower.

She came from an upper-class family which didn't educate girls. Her sisters managed to contrive some kind of education for themselves, but she remained almost totally uninstructed. She was not intellectually stupid. She was certainly emotionally stupid, or more precisely emotionally retarded. She developed very little in the way of sexual feeling. She seems to have been fixed like a girl in the earliest state of adolescence, with the narrowest of emotional range. Like some other girls in such a state, she had a capacity for just two forms of emotion. One was for remote admiration, the kind of adoration which doesn't expect any result. The other was for hate.

It is easy to envisage her, born in a different ambience 20 years later, screaming and howling, in a crowd of girls not unlike herself, at a performance of the Beatles. Or as one of the female camp-followers among Glasgow Rangers supporters. She was both a show-off and physically without fear, and she would with gusto have provoked the enemy in Birmingham and done some energetic window-breaking and mugging on the side.

Her own circumstances led her to a more sinister fate. She found her focus of adoration. It was Adolf Hitler. In Munich she got herself noticed by him and became part of his entourage. On his side, this sounds more casual than it is likely to have been. Nazi intelligence was pretty professional, and they would have realised that the girl had influential connections, known already to be well-disposed towards Hitler, and it might be useful to have an informal channel of communication. She duly acted as one, though the results couldn't have been specially enlightening to either side. In addition, Hitler appears to have liked the company of worshipping young women.

There may also have been the faint rapport that sometimes lurks between people in whom the sexual impulse is thwarted, or diffident, or gone astray. On her side, the worship was rapturous. She may, in a theoretical fashion, have made fantasies of some consummation but she was really satisfied with the occasional meeting (never alone), the notoriety, the glory of being near her deity.

She also found a satisfactory outlet for her desire to hate. Jews. She had met Jews only in smart London, such as the Rothschilds, but that didn't matter. She called Streicher "Darling Streicher." "Darling Streicher"—the most odious of all Nazis—was the man for her. She was able to indulge her passion for heartless violence. She procalimed that all Jews ought to be burned. She meant it. If you read psychiatrist's accounts of the utterances of Belfast adolescents, you get the exact tone.

Her hope, which she thought certain to come true, was that her deity would rule over Europe and the world. Her own country would see the beauty of that, and there would be no war. When war did come she went into a public park in Munich and tried to shoot herself.

To anyone born more recently than, say, 40 years ago, that story may easily seem trivial or pointless, just a case of delusion that might happen anywhere at any time. It didn't seem like that in the late 1930s, and it doesn't seem so in retrospect. Not because of Unity Mitford herself. She was of no importance, except to her family, who behaved with steady affection throughout. It wasn't she who was significant: it was the way in which her antics were a caricature-symbol of the attitudes of others, of people who might conceivably be more significant than at the time one cared to think. Remember, many of us knew that we were going to have to fight a war, and a war which we should be lucky not to lose. We needed to be sure whom, in our own country, we could trust.

There were sections of society who no one in his realistic senses was confident of trusting. Far too many people of some significance were drifting round the Unity Mitford—Munich—Nuremberg circuit. Far too many of these people came from what Americans refer to as café society, or in our own terms, a gossip-column stratum of the upper class. They came to be called the "lumpen-aristocracy," by analogy with the "lumpen-proletariat." Providentially, there was another stratum of aristocracy of which Churchill became the symbol in 1940, and which shines out of a happier book to be reviewed next week.

Still, in 1940, after the collapse of France, a good many responsible persons were looking over their shoulders. If it did come to the worst, who would behave as many of the smart French were behaving, among café society, entertainers, the most venerated of intellectuals? Mr. Pryce-Jones' book recalls too many of those dark questions. Thank God we never had to learn the answers.

Spendthrift state

BY TERRY BURNS

The Public Prodigals by David Galloway. Temple Smith, £5.50, 256 pages

Attacks on public spending are not difficult to obtain. The major problem usually is to decide on the sphere of the onslaught. Mr Galloway solves this by a full frontal attack across the entire range. The approach is substantially narrative, taking us from the build-up in the late fifties and sixties to the "height of the tide" and the problem of 1975/76. It is up to date (including events to July this year) and contains a useful summary of many of the arguments, details and anecdotes.

Beginning from a rather exaggerated view of a projected borrowing requirement of £20bn. in 1978/79 Mr. Galloway sets himself the task of lopping £15bn. from public expenditure. It is suggested that more than a quarter of this comes from housing in the form of the elimination of subsidies, tax reliefs, renovation grants, cuts in council house building and selling of council houses. The nationalised industries are asked to provide a further £3½bn. by the abolition of subsidies and higher charges, whilst some charges for health and education would bring in a further £4bn.

But where is the problem? Is it the 60 per cent. figure that is frequently quoted (now revised to 52 per cent.)? Probably not. As Mr. Galloway emphasises, the arbitrary nature of the hotch-potch of items customarily included together with direct spending deprive it of any major significance.

The most obvious current issue is the size of the deficit. The appropriate size is proving a difficult point upon which to obtain consensus. The extreme positions vary between those who support whatever deficit is necessary to obtain a favourable level of unemployment and those who, as a matter of principal, insist upon balanced budgets. For a nil inflation world with 2½-3 per cent. growth Mr. Galloway chooses a figure of £3bn., financed half by expansion of the money supply and half by genuine borrowing. This is the correct approach. Given the expected growth in nominal income (output growth plus the target inflation) the issue is how fast will money and bonds demand rise? One rule of thumb based upon past behaviour is that the appropriate budget deficit given a nominal level of stockbuilding should be half the prospective growth of nominal GNP. This makes the current 10 per cent. figure appropriate for an inflation rate of around 20 per cent and points to a figure of nearer to 3 per cent. of GNP if we are to get the inflation rate back down to 3-4 per cent. per annum.

A second stumbling block is the question of control. Is the present method of controlling public expenditure and the borrowing requirement adequate? Two chapters are devoted to this topic and the missing £6bn is given some airing together with a discussion of the method of forecasting. Several proposals are presented to improve the control mechanism ranging from cash budgeting to a requirement for political programmes to present programme's on a comparable cost basis. Unfortunately this issue of control finds itself merging into the general issue of the size of the public sector and here the discussion in the book is much less satisfactory.

The longer-run growth of the volume of public spending divides into two. How rapidly does the demand for health and education (which are the main expenditures on goods and services as against transfer payments) rise with income and do we cater for it too much, too little or just right? Secondly, should the entire service be centrally supplied and financed? Most blanket condemnations of public spending fail to take account of the underlying trend for the demand for health and education to rise faster than the total demand for manufacturing goods. This is clear from an examination of any country with a semblance of market. Hence I begin from the assumption that health and education are likely to grow very fast in any system and rapid growth is no adequate basis for judging over-spending in this direction.

Criticism is better applied to issues of whether the money is being spent where the consumer wants it and whether the service is being supplied efficiently. This is very difficult to show and requires a different form of analysis to that given here. Admittedly the enormous growth of administrators in the health and education sectors is suspicious if not a prima facie case of waste. But are we getting value for our expenditure on health care and education measured by evidence of illness, death rates, literacy, numeracy and personal development?

Many specialists in health economics in the U.K. claim that we do well when compared to comparable countries in terms of return per pound spent. Others simply point to the queues and waiting lists as evidence of a failure to supply the service the consumer wants. There is an important possibility that we are under-providing in health and education relative to peoples wants and in a market system consumers would be prepared to spend a higher proportion of their income than is currently denoted. But they are unlikely to smile upon this being centrally supplied and it is unlikely that the mechanism is available to obtain those resources in a manner that would satisfy many consumers. One of the great political challenges is to move health and education away from collective supply and finance: otherwise, given the prospected growth of demand for health and education, massive increases in taxation will be necessary if the demands are to be satisfied. But this tax burden will become intolerable to income earners with average as well as above average level incomes.

Tax problems also figure in the issues of redistribution in general and subsidies and grants in particular. What is an appropriate degree of income redistribution in a society such as ours and how should it be technically managed? Simply looking at growth rates is not enough. When does excessive taxation take over from an unsympathetic social system? The community is blissfully unaware of the possibility that the standard of living of the lower quartile income groups may be best served by measures aimed to increase the overall level of output rather than by excessive concentration upon further redistribution.

However, no-one has yet shown, to general satisfaction, that the level of output will be helped by monetary incentives and differentials and low marginal tax rates. It requires more analysis and at present to a substantial degree it is a matter of faith. The total attack on public spending, presented here, is no solution to these analytical issues although it might give useful inspiration for someone to attempt the task.

Lady Gladwyn when Ambassadress in the Salon Vert—from the jacket of the book reviewed to-day

His Excellency at home

BY ANTHONY CURTIS

The Paris Embassy by Cynthia Gladwyn. Collins, £6.00. 255 pages

Somerset Maugham, Emily Lytton and Violet Hammersley were all born there; Thackeray was married there; Wilfrid Blunt and Maurice Baring worked there; Dickens gave a charity reading of *David Copperfield* there; Oscar Wilde and Jean Cocteau sometimes dropped in there; Proust came to dinner there and kept his fur-coat on the entire time; Louise de Vilmorin sparkled there; Cole Porter back from the front in world war one along with other GIs convalesced in the garden there . . .

The place is the British Embassy in Paris on the Rue du Faubourg St. Honoré of which a former ambassadress, Cynthia Gladwyn, has now written a history. The book is no longer than a novel because although packed with information it is written in an admirably succinct manner which one wishes some professional historians would cultivate. Each chapter spans an ambassador's term of office, the whole making a series of period sketches that would seem to lend themselves naturally to bedside reading. Happy dreams with Lord Granville, Lord Cowley, Lord Lyons, Lord Lytton, Lord Dufferin, Lord Bertie, Lord Derby, Lord Tyrell, Uncle Duff Cooper and all.

What a name-droppers' paradise! The glittering catch in my first paragraph was merely the result of rapidly trawling a literary net through these pages. Go for the political and diplomatic fish and you will come up with a colossal haul. The reason why Mr. Maugham and his two playmates were born in the Embassy concerns one of the most bizarre episodes in its history which occurred during the Franco-Prussian war in the early 1870s when the ambassador was the hardworking, dog-loving, Wykehamist, bachelor Lord Lyons ("If you're given champagne at lunch, there's a catch somewhere," he said truly). The French Government of the Third Republic threatened to introduce a law to the effect that all boys born on French soil would be deemed citizens of France and required to do military service. Lady Gladwyn explains that this threat never became a reality: the proposed law was dropped, but the spectre of it was enough for the second floor of the Embassy to be turned into a maternity ward where Edith Maugham and others whose husbands were connected with the Chancery had their accouchements so that their babies would be born on British territory.

Lady Gladwyn's story goes back to a much earlier period than this. She explains how the building came to be erected in the eighteenth century by a descendant of Fouquet's, the Duc de Béthune. Known as the Hôtel de Charost, it eventually became the residence of Napoleon's sister Pauline Borghese (a lady whose erotic appetites would seem to destine her to become the heroine of a contemporary film). At the restoration of the Bourbons it was acquired from her for Frs.800,000 by Sir Charles Stuart for Britain, and in 1814 the Duke of Wellington moved in as the first of a long line of British Ambassadors to take up residence there.

Some but not all of Pauline's Empire furniture and décor was acquired at the same time. Her bedroom is now the famous Salon Vert: in Duff Cooper's time Prince Borghese's bedroom became a library for the embassy. Each fresh incumbent has usually had a plan of redecoration and renovation, screwing the cost out of a reluctant Government. The most extensive renovation was in 1905, when £23,000 was spent on a programme devised by the architect Vye Parminter, include a lift to the second floor, the replacement of the iron handrail of the staircase by brass, the repanelling of the old doors with glass, the relaying of the stone and marble floor, and the gumming-up of the columns and pilasters with stuccotine.

This was to mark the reign until 1918 of Lord Bertie of Thame, a rude and alarming man known to his staff as "the Bull," and by Jean Cocteau, who was a friend of one of them, as "l'ours blanc" on account of his white hair and walrus moustache. He was the last ambassador to have a state coach in which he would drive to the Elysée in his robes of state. Within the privacy of his own quarters he had a coarse wit and a large collection of pornographic prints. His style was autocratic in the extreme, but Edward VII liked him and Clemenceau respected him. When the war came he stayed on and showed deep concern for the troops at the front. Lady Gladywn does full justice to this remarkable character not least when she is describing the machinations by which he was eventually forced to retire.

He was followed by Lord Derby, under whom the scale of entertaining reached an unprecedented level of lavishness, and after two more peers, Lord Hardinge of Penshurst and the Marquess of Crewe, came Lord Tyrell, whom the author thinks "was the cleverest and perhaps the most remarkable ambassador ever sent to the embassy." He had a brilliant mind, a formidable power of exposition, a taste when off duty for golf and the cinema. An unusual feature of his years was the frequent absence of Lady Tyrell, her place being to some extent taken by a former governess known as "Mad."

"In official life," says the author, "wives vary between being an asset and a handicap." There are some fine examples of both types here. The most unconventional was Lady Bertie with her passion for poker; the most strong-minded Lady Lytton whose poet manqué husband was always falling in love and was warmly appreciated by the French; the most endearing, Lady Tyrell, who, on one of her rare visits when they held a reception said in an aside to her husband: "How am I doing, Bill?" "You're doing very well indeed, Lady Tyrell," replied the future George VI, to whom the remark had in fact been addressed.

Flying safe

BY MICHAEL DONNE

The Safe Airline by J. M. Ramsden. Macdonald and Jane's, £4.95. 231 pages

Pilot Error, edited by Ronald Hurst. Crosby Lockwood Staples, £7.50. 282 pages

Destination Disaster, The Sunday Times Insight Team. Hart-Davis, MacGibbon, £4.95. 435 pages, illus.

Writing about air safety is one of the most difficult tasks in aviation literature. It is a highly emotive subject, and one that can never be entirely free from trespass upon pain, distress and even fear, for more people are afraid of flying than is generally realised. To write about it, therefore, requires delicacy of touch on the part of the writer, combining an innate sympathy for the subject with the need to maintain a proper balance in making judgments or drawing conclusions. As a result, there are many kinds of books about aviation safety, ranging from the clinical treatise, through to sensationalised accounts purporting to be serious but written more often than not to cash in on the topicality of the news.

This is why these latest books on the subject are welcome. They are serious; two at least do not pretend to be best-sellers, but they do try to analyse the situation in their own ways and while one may not agree with everything they contain they are nonetheless valuable additions to the aviation bookshelf.

Mr. Ramsden is the Editor of Flight International, the author of many analytical articles in that journal, and the recipient of several international awards for his contribution to the discussion on air safety. His book, *The Safe Airline*, is as he himself describes it, a collation and explanation "of all the important airline safety principles and numbers."

His basic argument is that, despite the occasional bad accident and its attendant publicity, flying is far safer than most people appreciate, and that much more is done in the aviation business to ensure safety than in most other industries and activities. Of course, there is always the one crash that slips through the net, with all the attendant headlines and subsequent litigation and agony. Mr. Ramsden does not try to hide this fact: nobody can, but at least he makes an honest, straightforward attempt to get the balance right, and for that reason alone his work is valuable.

The second volume tackles the same subject from a different angle. *Pilot Error* is a serious attempt to get behind the two words often used (erroneo in many cases) to attri blame for an accident. book is, in fact, a series studies, examining what "p error" really means, w causes it (if indeed it really the reason for a particular a dent), what are its implicati and how it can be avoided.

The analytical thor involved is too complex eve summarise, but one broad clusion emerging is that accident is far more than people realise the result o long chain of events than simple boob by a human b on the flight deck. One is with the thought that far time, energy and money sh be allocated by all section the aviation community to ravelling such chains of ev in the hope that more ca learned from them for future. The aviation commu is beginning to recognise need, but thoughtful books as this can do much to hel proceedings far more than of the sensationalised acc one has seen published recent years.

The third volume, *Destin Disaster*, represents an att to unravel just such a cha events mentioned above background to the world's air disaster in March, 1974, a DC-10 crashed near killing 346. As a piece o vestigative journalism, i remarkable for its complet its fearlessness (even abrasiveness) and its indef bility. Some of the materi already appeared in the Su Times. The accident itsel been written about more almost any other human dis including floods and earthq in which many more people died, while the crash has al been the subject of ext litigation in the U.S. The about the book is that Sunday Times Insight team widened the scope of the vestigation to take in no the manufacturer involve also the practices and proc of U.S. regulatory and authorities, and the activit certain individuals.

The response to that m with the organisations a dividuals concerned. But d its own panoply of publici sometimes racy style, desc at moments to the lurk book does illustrate the that air safety is not ju attitude of mind of indivi but the responsibility o community at large, in no one can remain isolate aim of *Destination Disas* not to deter people from —civil aviation is now so embedded in the world ec pattern that it is here t —but to ensure that eve possible is done in fu ensure that the goal of accident rate is brought

Fiction

Age of total freedom

BY MARTIN SEYMOUR-SMITH

I Hear America Swinging by Peter De Vries. Gollancz. £3.95. 211 pages

An Exemplary Life by Siegfried Lenz. Based on a translation from the German by Douglas Parmée. Secker & Warburg. £4.90. 423 pages

Lovers and Heretics by John Hale. Gollancz. £4.20. 160 pages

The Sun Chemist by Lionel Davidson. Cape. £3.95. 273 pages

The Chisholms by Evan Hunter. Hamish Hamilton, £3.75. 208 pages

Peter De Vries' new novel, a very different kind of *1984* from Orwell's, begins with a parody of Whitman in which occur such lines as "The school teacher, also now free and swinging, never lonely now, none thirsting for love, none a parched virgin ever, Herself swinging in turn also with the choirmaster, with him singing as they swing and swinging as they sing./All free in the great freedom that is to come, that is already here. I declare it as I celebrate it . . ." And so on and so forth.

Yes, the age of total freedom has arrived; the sexual revolution is under way: Woman's Lib is a "seminal force": there is creative self-realisation for all ("self-realisation" has for long been a powerful notion in America). Mr. De Vries' approach is, as one might expect, totally irreverent. But while he unobtrusively demonstrates in this zany satire that the idea of absolute freedom is hardly compatible with human nature, he does not do so in any reactionary or even unsympathetic manner. His method is to puncture the balloon of over-enthusiasm by highly energetic invention.

For me he has been a mixed writer, sometimes brilliant and sometimes acutely disappointing: this seems to me to be one of his funniest books.

The future (or is it really an aspect of the present?) is depicted in the unlikely context of Middle City, Iowa. The narrator is marriage counsellor Bill Bumpers, who is never quite certain—as he goes through various orgies—whether all this is what he really believes in or not. Not every joke works: but the pace is as fast as it should be, the tone as relaxed, and the ending as unsentimental. This is a possibly thought-provoking book; but it manages not to look like one.

Siegfried Lenz, who reached fifty earlier this year, has been regarded since his novel *The German Lesson* (1971) as one of the outstanding writers of West Germany. He has written stories and plays as well as novels. *Das Vorbild*, translated as *An Exemplary Life*, was published in Germany in 1973. Lenz believes that because truth is "double" every story should have two narrators; he is also obsessed with the problem that every man is potentially a dictator.

An Exemplary Life, written with a rare lucidity, has a single narrator who none the less functions not as a dual but at least as a triple "voice." The theme is most engaging, and fulfils its promise. Two schoolteachers—one of the "old" type and one a casually anarchic "progressive"—and a female publisher's editor are preparing a school reader. The first two parts have been completed without trouble. But the third, which is to consist of an "exemplary life"—a "model" for users of the reader—is proving difficult. The discussion, in Hamburg proceeds; but we are meanwhile given an account of just how *unexemplary*, indeed impossibly confused, are the lives led by these three arbiters of the moral future of youth. The ground covered also includes the activities of Lucy Beerbaum, who goes into "voluntary captivity" when the Colonels seize power in Greece.

This, like so many German novels, is essentially an exploration of the German predicament. It is shrewd, comic and above all ironic. The author's "message" is that human affairs are not conducted with the seriousness they ought to be, which is not perhaps original—but his real interest is in individual human behaviour, which he describes with powerful gusto and understanding.

John Hale (not to be confused with the excellent historian), whose seventh novel this is, has not had the attention he deserves.

Jack is a soldier in the Berlin of the 1960s. He makes friends with an Austrian Jew, Frank, whose background is extremely complicated: he and his father fled the Nazis, but his Trotskyite mother stayed and fought them—and was destroyed by Stalin: his aunt Renata survived, and now does menial work as a gesture of repentance; Renata's daughter went with her hard-line communist husband to East Germany, only to be rejected and to attract Frank's rage: he is in love with his English foster-father's daughter.

Later Jack hears that he has died, in England—and he determines to find out why. The scene shifts from Berlin to Ulster (where Jack is doing his second tour) to London to the Kentish coastal town where Frank is supposed to have died. The virtues of this novel lie in its complex "story" rather than in its writing, which is often jerky and somehow insubstantial almost as if the act of description irritated the author. But *Lovers and Heretics* is courageously artistic and intelligent in its intentions, and it deserves to be read.

Dame Rebecca West picked Lionel Davidson's last novel *Smith's Gazelle* as the best of 1971, and compared it to the young Kipling. Some may feel that this praise is too high: but Mr. Davidson is certainly an effective purveyor of what Julian Symons has called "serious entertainment." In this tour de force, *The Sun Chemist*, the former founder and president of Israel, Chaim Weizmann (who was a scientist), is the pioneer of a method of extracting a new energy source from the sweet potato. Unlikely?

The author thought of the idea as fictional, but went to the Weizmann Institute to build up authenticity for his tale. He was amazed to discover that Weizmann really had been working on something very like this, and that members of the Institute were trying to trace Weizman's writings on the subject.

Mr. Davidson incorporates some real people into this novel, and he tells us that Weizmann's process does work. But there is still a fictional element: his narrator is trying to track down Weizmann's formula, and of course someone is anxious that he should fail. An intriguing and exciting semi-thriller, bristling with clever allusions to real people (Namier, Lenin, Gandhi and many more) throughout.

Evan Hunter's *The Chisholms* is subtitled "A Novel of the Journey West." Set in the mid-19th century and dealing with a journey from a barren Virginia to a hopefully fruitful California, it is, as one would expect, professional, thoroughly researched, readable at a low level of awareness — and thoroughly unconvincing and sentimental. It is, I know, unfair to say it; but am I alone in preferring Mr. Hunter as Ed McBain, when none of us has to pretend to be serious?

U.K. ECONOMIC INDICATOR

General	1976 Oct.	1976 Sept.	1976 Aug.	1 Oct.
Unemployment ('000s)	1,377.1	1,456.4	1,501.9	1,165.4
Unfilled vacancies ('000s)	139.8	141.7	129.8	132.0
Currency reserves ($bn.)	4.703	5.158	5.029	5.710
Basic materials (1970=100)†	327.1p	314.1	304.0	252.2
Manfrd. prods. (1970=100)	229.5p	226.3	223.4	197.0

	Sept.	Aug.	July	Sept.
Bank advances (£bn.)	15.003	15.100	15.513	13.782
Retail prices (Jan. 1974=100)	160.6	158.5	156.3	140.5
Wage rates (July 1973=100)	217.4	217.3	217.2	184.9
HP debt (£m.)¶	2,465	2,430	2,386	2,257
Retail sales val. (1971=100)	206.4	204.3	199.9	179.2

	Aug.	July	June	Aug.
Terms of trade (1970=100)	80.3	79.5	79.8	81.9
Industrial output (1970=100)	100.8	101.8	100.2	98.9

Trade and Industry	1976 Sept.	1976 Aug.	1976 Jan.-Sept.	1 Sept.
Imports fob (£bn.)	2.505	2.332	2.244	1.792
Exports fob (£bn.)	2.140	2.039	1.952	1.582
Visible trade balance (£bn.)	−0.365	−0.293	−0.291	−0.210
Steel, weekly average ('000 tonnes)	429.6	374.8	426.0	353.7
Cars ('000s)*	100	80	111	120
Commercial vehicles ('000s)*	29.5	26.5	30.7	31.1
Houses completed ('000s)¶	28.5	24.0	25.8	28.3
Bricks (millions)*	485	414	436	453
Cement, weekly average ('000 tonnes)*	314	301	311	331
TV sets ('000s)‡‡	279	169	194	237
Radios, radiograms ('000s)‡‡‖	343	235	298.2	372

	Aug.	July	Jan.-Aug.	Aug.
Man-made fibres (m. kgs.)*	43.82	46.72	50.97	40.77
Furniture (1970=100)†**	149	146	151	150
Petroleum (m. tonnes)h	5.360	5.715	6.562	5.015
Hosiery (1970=100)**	99	95	96.25	98

	July	June	Jan.-July	July
Raw cotton, weekly average ('000 tonnes)§	2.19	1.91	2.31	2.66
Electric cookers ('000s) f†	63.3	70.6	76.3	79.0
Washing machines ('000s)†	48.3	107.8	74.3	86.7
Engineering orders on hand (1970=100)**	89	89	92.1	109
Raw wools (m. kilos)§	8.7	9.9	10.0	9.0
Machine tools (£m.)‡	28.6	37.5	30.5	26.1

	1976 3rd qtr.	1976 2nd qtr.	1975 3rd qtr.	1975 2nd qt
Consumer spending (£bn. 1970 values)	8.868g	8.789	8.729	8.839

	2nd qtr.	1st qtr.	2nd qtr.	1st qt
Motor trade turnover (1972=100)	177	166	148	137
Building and civil engineering (£bn.)†	3.163g	3.014	2.912	2.644

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Sea adjusted. †† All manufacturing industries. ‖ Excluding car ‡‡ Deliveries. U.K.-made and imported sets. d Prices. f Inc cooker griller toasters. e Value of output. ¶ United Kingdo seasonally adjusted. g First preliminary estimate. p Prov figures. h Deliveries of petroleum products for inland consum

PARLIAMENT

Tories deploy new tactics

BY JOHN HUNT

THE GOVERNMENT became bogged down in a new procedural wrangle in the Commons yesterday as it continued to battle to get its five controversial Bills on to the Statute Book before the new session of Parliament starts on November 24.

The result was a knockabout debate in which Mr. John Peyton, shadow Leader of the House, goaded Labour Left wingers and challenged the moderates in the party to make their voices heard.

The exchanges were marked by frequent interruptions from back-benchers and the Speaker, Mr. George Thomas, had to intervene when Mr. Dennis Skinner, the Labour Left winger, was accused of calling Mr. Alan Beith (Liberal, Berwick) "a Tory stooge."

The long row over the five Bills *took on a new twist* with the Conservatives deploying a novel procedural weapon against the Government. Their tactics centred on the committee which will have the task of telling the Lords why the Commons threw out their amendments to the Education Bill.

The government wants to retain its majority on the committee by appointing three Labour MPs and two Tories. The Conservatives, however, attempted to destroy the Government majority by the additional appointment of Mr. Beith.

In an attempt to prevent this proposition being debated, the Government yesterday tried to guillotine it. But the Conservatives countered by initiating a debate of over two hours on the guillotine motion itself.

Lashing out at the Government, Mr. Peyton suggested that there must be some Labour MPs who had a "lurking sense of shame" at the "grubby expedients" being employed to push through the Bills.

There were noisy jeers from Labour Left wingers when he declared that they reminded him of "Lewis Carroll's nightmare of the Mad Hatter's Tea Party." He hoped that before long, the Labour Party would shed the extreme Left "and behave as a respectable political party, free of such malign influence."

The Government, he said, had got itself into a real difficulty and, as usual, was trying to put the blame on others.

But Mr. Michael Foot, Leader of the House, was having none of this. He maintained that the traditional procedure for rejecting the amendments was merely a formality and a matter of courtesy to the Lords. The substance of the amendments had already been decided by the Commons.

For his part, Mr. Beith argued that it was only fair that a Liberal should be appointed. The continued exclusion of minority parties from the committee was something which the House should not tolerate.

The Conservative attempt to thwart the guillotine and get a debate on the composition of the committee was defeated by three (310—307).

This means that in addition to the Education Bill the Government can *guillotine any similar attempts to discuss* the composition of the committee when the other four major Bills in the Government programme come before the House.

Peyton attacks Left's influence in row over Bill procedure

THE APPOINTMENT of the committee which draws up reasons for Commons disagreement with changes made in legislation in the Upper House had always been a formality, Mr. Michael Foot, Leader of the House, protested in the Commons yesterday.

But the Opposition spokesman on House of Commons affairs, Mr. John Peyton, told him: "We *have come to the very sad con*clusion that the Government does not regard courtesy as being necessary."

the Government would be in a minority. "That would really be an absurdity. There would be no

Mr. Peyton added: "Somewhere, there is lurking on the Government benches some sense of shame and unease at the grubby expedient they have been driven to adopt to get their shoddy business through."

The Opposition felt justified in keeping the House voting throughout the night on the Lords' amendments. "But I have regard for the House, and respect for its convenience, and it would not be our intention to do so."

To mocking Labour cheers, Mr. Peyton said: "Although we exercise this restraint, we do so on the clear understanding that it implies no qualification whatsoever of our support for the House of Lords, and our abhorrence and detestation for the Government's actions."

Pointing to Labour Left wingers below the gangway, Mr. Peyton said they reminded him of "Lewis Carroll's nightmare of the Mad Hatter's Tea Party." He hoped that, before long, the Labour Party would "shed their *influence* and behave as a respectable political party."

For the Liberals, Mr. Alan Beith (Berwick upon Tweed) said it was not the first time in this Parliament that it had been necessary to assert that there were several strongly represented parties in the Commons.

"The issue we are concerned with is relating the procedures of the House to the reality of its membership and composition." Some of the Lords amendments had been the responsibility of Liberal peers.

Mr. Robin Maxwell-Hyslop (C. Tiverton) claimed a new restriction on freedom of speech in the Commons, conceived in the previous 24 hours by Mr. Foot "for the same reasons that he denied petitioners the right to petition against the Aircraft and Shipbuilding Industries Bill—because he dare not allow reasonable argument to see the light of day."

As the debate continued, a number of Tory MPs turned it into a general attack on the Government's attitude to the contested Bills.

Mr. Robert Adley (C. Christchurch and Lymington) spoke of the Government "using the jackboot" to force legislation through. There were Labour protests when he commented on their turning for support to "a man who had been interned in Belfast for IRA membership."

Sir John Rodgers (C. Sevenoaks) urged Mr. Foot to remember he was not "the ringmaster," and Mr. Nigel Lawson (C. Blaby) said that the Leader of the House had "sold down the river his previous devotion to Parliament and the House of Commons."

Mr. Enoch Powell (UUU, Down S) said: "This will be a precedent for the proposition that the House can nominate a committee on a motion that is not debateable but only voteable. It would be a considerable erosion of the rights of the House and of MPs."

Mr. Eldon Griffiths (C., Bury St. Edmunds) started his speech by warning that his remarks were directed at Left-wing Labour MPs.

Among that group present was Mr. Dennis Skinner (Lab., Bolsover), who immediately left his seat and left the Chamber, saying: "I'm not sure I want to listen. . ."

Mr. Griffiths said: "What Mr. Foot has done as Leader of the Commons, not Fuehrer of the Reichstag, is to put Government before Parliament, and party before country."

Mr. Eric Heffer (Lab., Walton) said: "The fact is that the Opposition are raising this issue as a great matter of principle, when, in fact, what they are really trying to do is to stop the programme of this Government from being carried into effect."

Mr. Foot, winding up the debate, said: "I repudiate any suggestion that we are injuring, or impairing the legitimate rights of the House. We are seeking to protect them."

The Opposition was trying to elaborate, or to exploit, what had in the past been an entirely formal procedure. The Government was merely proposing to preserve the present practice of the House.

If the proposals were accepted, guarantee that further absurdities would not be created, and that this committee, which in the past has been solely a formality, could be transformed into something very different."

Tories shouted in protest when Mr. Foot said that the Opposition was trying to change the rules of the game.

Tory peers eliminate time limit on private patients' facilities

THE GOVERNMENT was again defeated in the Lords when peers returned yesterday to detailed scrutiny of the Bill to phase prviate pay beds out of NHS hospitals.

By an 85 majority, Conservative peers forced through a proposal to scrap the deadline by which the Health Services Board must report on the withdrawal of diagnostic facilities—other than radiotherapy—from private patients. Voting was 153 to 68.

With many more than 100 amendments to deal with during the Health Services Bil's committee stage, the Lords was expected to sit through the night.

Baroness Young, who has been leading the Tory attack, claimed that until a change of heart by the Government, there had been no time limit in the Bill for phasing-out of diagnostic facilities for private outpatients. Her proposal would restore the Bill to its original state.

Lord Wells-Pestell, Government health spokesman, said that if no target was set for the first report on these facilities, there was a risk that the private sector might see no need to make alternative provision.

Under the Bill, there was a requirement on the Board to submit its first report by Spring, 1978. This was fair to the private sector and the Board and would not delay progress towards complete separation of private practice from the NHS.

Minister rejects Lords proposal

By Justin Long, Parliamentary Correspondent

IT WAS VITAL for tAhe proposed new National Dock Labour Board to have the maximum confidence of the port industry, Mr. Albert Booth, Employment Secretary told the Commons last night when the Government invoked the guillotine for the second night running—this time over the controversial Dock Work Regulation Bill.

Ministers were demanding the removal of over 50 amendments inserted by the peers—many of them fundamental changes which would draw nearly all the teeth from the Government's original proposals.

Mr. Booth said that the amendments made by the Lords altering the composition of the Dock Labour Board would destroy the confidence of those most closely concerned—the employers and employees within the scheme.

"It is of the utmost importance that a very substantial proportion of the Board should be picked from the National Joint Council of the industry," the Minister told MPs.

Another effect of these particular Lords amendments would be to increase greatly the size of the Board.

The Minister considered the 12 members plus chairman and vice-chairman, as set out in the Bill originally, was about right. "It would make for an effective working body," he said.

But apart from increasing the Board members to 17, Mr. Booth was concerned about the reduction this would create in the proportion of members drawn from the National Joint Council. The NJC's proportion would be less than half under the Lord's proposal

"This would create a serious situation for the Board," declared Mr. Booth calling on the Commons to reject the Lords' amendments.

Fewer serious road accidents

FATAL AND serious injury casualties resulting from road accidents in Scotland in 1975 were the lowest since 1965, Mr. Frank McElhone, Scottish Under Secretary, said in the Commons yesterday.

Mr. Adam Hunter (Lab. Dunfermline) had asked how the Government proposed to reduce road accidents. "Over the last two months, the number of fatal and serious injury accidents in Scotland, has been appalling, particularly at week-ends," he claimed.

Mr. McElhone denied this.

Powell warned to toe UUU party line

BY PHILIP RAWSTORNE

ULSTER UNIONIST leaders yesetrday issued an angry warning to Mr. Enoch Powell to "toe the party line" after the former Tory Minister had indicated his support for maintaining the Labour Government in office.

Mr. Harry West, Unionist Party leader, made it clear that Mr. Powell could be dropped as the party's candidate in South Down at the next election if he defied any decision to vote against the Government.

Mr. Ian Paisley and Mr. James Molyneaux, other leading members of the Unionist coalition, later strongly reinforced the expulsion warning.

Mr. Powell, barred from the City of London Young Conservatives meeting yesterday, three hours before he was due to deliver the speech apparently offering his vote to sustain the Labour Government, also roused a furious reaction from the Conservatives.

Mr. Alan Bradley, the local YC chairman, cancelled Mr. Powell's invitation after consultation with party leaders.

Mr. Christopher Tugendhat, MP for the Cities of London and Westminster S., supporting the decision, described Mr. Powell's plans to use the meeting to declare a preference for the Labour Government as "ill-mannered and an abuse of hospitality."

And Mr. Michael Jack, chairman of the national Young Conservatives, led a growing chorus of demands for a total ban on any future appearances by Mr. Powell at Conservative party meetings.

Enraged

"His latest outburst must now mean that all those who call themselves Conservatives should exorcise Powell from party platforms by giving him no more invitations where he can peddle his redundant policies on race, Europe and the country's future," he declared.

But despite the enraged reactions, provoked by leaks of his speech the previous day, Mr. Powell yesterday defiantly released the full text for publication.

His statement declared: "I can find nothing in the essential interests of the U.K. which requires that this (Labour) administration should, if possible, be incontinently replaced by one comprising the present Conservative party.

"On the contrary, I can see much in the interest of the U.K. which might be better served if this Labour Government were able to govern for some time yet and to do so without the hourly hazard of dismissal."

Cutting his last tenuous links with the Tories, Mr. Powell said that the Conservative Opposition was neither ready nor disposed to confront and overcome any of the dangers that threatened the country's survival.

"On the other side, I perceive in the Labour Government and party the embers which might be blown into a flame and the elements which might be combined and activated to break out of the ring of perils that confront us."

Pouring scorn on the last Conservative Government's economic policies, he said the party was "now incapable of ever saying clearly what must be done." And it was the Labour Party and its electoral base in the industrial cities which offered more chance of changes in EEC and immigration policies.

"The survival of this country as the nation that we have known, united, independent, and self-governed by a sovereign Parliament, is an object which outweighs, if need be, all others put together," Mr. Powell concluded.

And, throwing a lifeline to the Government in its present precarious Parliamentary situation, he added: "I, for one, would not at this juncture wish to deny to the present Government the means and the authority to govern."

Benefit prosecutions rise likely

ABOUT, 1,000 cases of social security fraud are being investigated each week, Government spokesman, Lord Wells-Pestell said in the Lords yesterday.

He told Baroness Hornsby-Smith (C), that the Government had not failed to recognise the seriousness of the situation. There had been more than 15,000 successful prosecutions in 1975 and it was expected that the figure would be exceeded this year. Something like 1,000 new cases were being investigated every week.

"We are really trying to come to grips with this particular problem," he declared.

Lady Hornsby-Smith said the millions who willingly paid their dues for the genuinely needy were becoming deeply resentful about abuses of the scheme.

Fewer working days lost —Booth

Our Labour Staff

...KING DAYS lost because ...ikes this year average less ... one hour per worker, Mr. ...t Booth, Employment Sec... said yesterday.

... already indicated, a Gov...ent survey to be published ...nonth would show that 98 ...ent. of British factories did ...ave strikes. The number of ...tes so far this year was the ...t since 1953, and working ... lost the lowest for nine ...

... Booth, speaking at a ...mentary Press Gallery ...eon, rejected the idea that ... security payments had dis...ged people from working. ...umber of countries like ...n, paid benefits for up to a ... In the United States, the ...l was 65 weeks.

... "scroungers who abuse ...system" were quite un...l of the overwhelming ...ity of people, most of whom ...d a fair day's work for a ...ay's pay.

...the Dock Work Regulation ... being debated in the ...ons yesterday, Mr. Booth ... there had been "mis...us and malicious ...ganda."

... "since it has led to such ...ous suggestions that ...n could be starving in four ... it has obviously re...ed," the Minister declared.

...luctivity in the docks had ...improved. One reason was ...ockers realised they would ... square deal under the Bill. ...'5, nearly 300,000 man day's ...een lost in the ports com... with 23,000 this year. In ...ondon docks, productivity ...n nearly 40 per cent.

...all for public ...aid police

...PPEAL for the public to ...ght crime in Scotland was ... by Mr. Harry Ewing, ...h Under Secretary in the ...ons yesterday. "The ...th of the police force is ...igher than it has ever ... before but the police ...e public co-operation," he ...

... Minister told Mr. Nicholas ...irn (C. Kinross and W ...hire) that the crime rate ...tland was still rising. First ...tions for the early part of ... suggested that 1975's up... trend had continued ... in crimes of dishonesty.

...US ON YOUNG SOCIALISTS

...evan reveals Labour ...ulnerability to Left

RUPERT CORNWELL, LOBBY STAFF

...IONS BETWEEN the ...ur Party and the Young ...lists have rarely been ...r than had. Like the ... in West Germany and Young Liberals closer to ..., Labour's youth move... has been an embarras...y frequest prey of Left-extremists.

... it has been disbanded—... last time when the ...kyist Socialist Labour ...ue (SLL) which had ...d control, held a rally ...ancing the party's policies ...e eve of the 1964 general ...on.

... however, "entryism" ... jargon word for such ...ation) is close to its ...est triumph—the con...tion of Mr. Andy Bevan, ...rming, but self-confessed, ...ist, in the job of Labour's ... officer. His ascent is a ...ook example of how the ...pion of a committed ...ity can push through the ... layers of a political ... to a key position, in this ...ce to become the ...iser of Labour youth ...ghout the country.

...whose contact phone num...s reputedly that of the ...eft Militant faction, was ...ed at a scantily attended ...ng where just two votes ... cast. The choice was ...uently approved by a ...cted National Executive ...ittee just before the ...pool party conference in ...mber.

... at belatedly, moderate ...ition surfaced, both from ... agents, who have refused ...-operate with him, and ...he National Organisation ...abour Youth (NOLS), ... furious in that it had ...anaged to rid itself of ...nt *domination*.

...erarchy

... of course, has decades ...erience in living with its ... fringes. But whatever ...tcome (an NEC meeting ...vember 23 will have the ...ord) the episode demonstrates just how vulnerable is the body of the Labour Party to burrowing from its far Left.

The stridently independent Militant Group is reckoned to be just one of the four main Trotskyist organisations operating here, each boasting at most a few thousand members. The others are the Workers Revolutionary Party (formerly the SLL), of Gerry Healey and adorned by Vanessa Redgrave; the International Marxist Group (now the British section of the Fourth International); and International Socialism, with perhaps 3,000 members and now concentrating its attention on the trade unions.

All of them in the past have tried "entryism" into Labour, but none has so far managed the coup of winning an organising job in the party hierarchy, complete with an office in Transport House, still less at a time when the party is particularly worried about the impact of extremists on public opinion.

On the face of it, Bevan's empire looks small. In April this year, the Labour Party Young Socialists claimed 4,114 members, scattered over 358 branches.

But although the youth movement has produced luminaries such as Anthony Greenwood, Richard Marsh and, more recently, Roy Hattersley, it has never been considered the key to success. The usual road was, and still is, through the constituencies—where Bevan is seen as a new threat.

The troubles of Mr. Reg Prentice in Newham stem from the hostility of his constituency's general committee, which has overall responsibility for local party activities. The LPYS, as well as other affiliated bodies, have a big say.

The word is that perhaps 20 or 30 other moderate Labour MPs could share Mr. Prentice's problems and be disowned by Left-dominated constituency parties, and the arrival of Bevan to a post which carries the right to liaise with Young Socialists in every region might simply make matters worse for them.

This, of course, is one strand in the vigorous protest from agents over the nomination. Already, the National Union of Labour Organisers, comprising 120 agents and party workers, has registered its disgust. It fears—and the latest by-election disasters bear this out—that a Trotskyist near the helm would simply provoke desertion in the rank and file.

Apathy

Their other, and equally important, grievance is that the post of youth officer is traditionally filled by an agent. *The latest developments*, therefore, have aggravated bitterness in a vital section of Labour's organisation in the field, already upset by low pay and dismal promotion prospects.

For all the dislike among moderates, it is improbable they will mount a real counter-attack. Given the Leftward slant of the NEC, and even more of its Organisation sub-committee, which has direct responsibility for the nominations, there is small chance that the youth movement will be broken up again, however much the Prime Minister might wish it.

Then there is the eternal apathy of moderates when faced by a tiny extremist challenge. "The numbers are so small. They're not thug-like, so people say what harm do they do?" said one party official.

Bevan himself can hardly lose. Should he be confirmed, it will be a giant step forward for his cause.

In Transport House itself, the worries are more basic. "It'll be like having a spy in the camp," someone said—hardly the brotherly love Labour needs in its ranks as it fights to recover lost electoral ground.

Written Answers

ENERGY

Mr. Anthony Grant (Con: Harrow Central). When were the last estimates received from BP of the likely yield of its North Sea oil fields, and did they revise earlier estimates?

Dr. Dickson Mabon, Minister of State. They were received on October 11. While the estimates revised the production profile of the Forties field, they did not increase the total recoverable reserves of the field.

*

INDUSTRY

Mr. Lewis Carter-Jones (Lab: Eccles). Wherever possible, could there be a general direction that British components are used in all Post Office equipment, in view of the substantial amount of import savings which would result from such a policy?

Mr. Leslie Huckfield, Under-Secretary. All but a very small proportion of the components used in Post Office equipment are of British manufacture, but a general direction would not be appropriate. The Post Office is responsible for its purchases of equipment.

*

TREASURY

Mr. Lewis Carter-Jones (Lab: Eccles). Could action be taken to ensure that British components of suitable quality are installed in equipment purchased by Government, local authorities and nationalised industries?

Mr. Joel Barnett, Chief Secretary. The vast bulk of public purchases are already placed with U.K. firms.

*

TRADE

Mr. Hugh Jenkins (Lab: Wandsworth, Putney). Was Government approval given for the sale of the publicly owned preference share in British Lion to EMI, and was the price paid *considered to be full and fair?*

Mr. Edmund Dell, Secretary of State. The NFFC kept my Department in touch with its negotiations concerning the sale of this share in British Lion. The sale price was determined by the NFFC in negotiation with EMI and with the benefit of professional advice. I did not raise any objection.

LABOUR NEWS

Disputes hit Ford's Halewood output

PRODUCTION of 150 cars, worth more than £250,000 in retail terms, was lost at Ford's Halewood, Merseyside factory yesterday when 24 paint shop workers struck over a manning issue and 1,500 assembly plant workers had to be sent home.

The dispute was linked with a letter from the management last week-end about failure to produce quality cars without overtime to correct defects.

The company said that the paint shop line was cut by one man because of the drop in production, but 24 men on one shift objected and walked out.

Another dispute has affected production on Halewood's night shift. On Tuesday night, 50 body plant workers walked out after the management refused to rescind its decision to dismiss a man for alleged threatening behaviour and refusing to do a job. Production of 400 car bodies was lost.

Row over four brings Hull port to a halt

A MANNING dispute over four men brought the Port of Hull to a standstill yesterday when more than 1,500 dockers walked off 26 ships. The shop stewards have called a mass meeting for to-day.

The disput began when four men were withdrawn after a job aboard the freighter Clan McIver, to which they had been allocated, was completed.

The dockers claimed that the men were still needed but the employer disagreed.

Mr. Geoffrey Cullington, chairman of the Port Employers Association, said the stoppage was unofficial.

It was only on Monday that the dockers called off a three-week work-to-rule and overtime ban in a pay dispute involving three men.

Decision on aero-engine strike expected to-day

BY RHYS DAVID, CHEMICALS CORRESPONDENT

ABOUT 440 workers at the Rolls Royce (1971) areo-engine factory at Blantyre, near Glasgow, are expected to decide to-day whether to continue with a 17-week-old strike and sit-in, in protest at the company's decision to close the factory and relocate the work-force elsewhere.

To-day's meeting comes after a decision yesterday by shop stewards from all Rolls Royce factories in Scotland to recommend that the strikers return to work and re-open negotiations with management.

The strike committee at Blantyre is expected to meet this morning to discuss this recommendation. It is likely to endorse the return to work call.

But whatever is the outcome of to-day's meetings, the future for the Blantyre plant and Rolls Royce production in Scotland is still in doubt.

If the strikers decide to stay out, the company will almost certainly find it increasingly difficult to make a phased withdrawal from the plant before the lease on the factory expires next May.

The strike could spread to other Rolls-Royce plants in Scotland. Some form of sympathy action from Rolls Royce workers in England could be possible.

The decision to close the Blantyre plant, which manufactures components for a wide range of Rolls-Royce gas turbine engines, was made at the beginning of this year.

This came after management projections of the expected workload for the Scottish plants for this and subequent years.

The management calculated that it would have insufficient work throughout its Scottish plants for the next five years for the existing workforce. The numbers without work were slightly greater than the total of 520 employees at the Blantyre factory.

Consequently, the company decided to close the Blantyre factory and transfer the work and employees to Hillington.

It decided that when orders for aero-engines improved it would have to meet the increased demand by higher productivity at the Hillington plant.

While closing the Blantyre plant would cost about £500,000 in the first year, the company would help a similar amount.

Rolls-Royce told the Department of Industry of its decision each years in succeeding years, on January 12 and the unions two day's later.

The company gave the unions a detailed brief of the reasons for the closure and how the consequences of the decision could be eased. The management said that it wanted to interview each employee to explain the situation and arrange the best way of smoothing over the social upheaval of the move.

News analysis: Rolls strike

It has offered to augment present subsidised transport arrangements so that travelling costs would not be greatly increased. Employees transferred to Hillington would be paid a special allowance of £19.65 a week, for 24 weeks, and an additional single payment of £150.

Employees who decided to live closer to the new factory would have all removal, legal, and other expenses paid by the company. There would be a settling in allowance of £400 and a payment amounting to 5 per cent. of their annual basic income.

The company has guaranteed that no compulsory redundancies would result from the move with all the Blantyre workers being taken on at Hillington.

But in spite of a series of meetings between the company, local and national union officials, and teh Department of Industry, agreement on the closure plan could not be reached, culminating in a strike decision on July 13 this year.

The workers' case for resisting the move rests on the loss of job opportunities in an area of high unemployment and the social consequences of the closure.

But beneath this there is a feeling among the workforce that accepting the closure would lead to other cuts if the company's trading position does not improve. Last year the aero-engine division closed two of its U.K. plants because of a shortage of orders.

Shop stewards at the plant say that if Blantyre is profitable at the moment then there is no reason why it should be closed.

The unions feel that management is being unduly pessimistic over the manpower projections for the next five years and claim that they will be seeking to re-employ workers at Blantyre within two or three years. But by then, they say, the skilled workers will be gone.

If those strikers return to work they will have little time and industrial power left to persuade the company to change its mind.

But the workers are still likely to draw comfort from the fact that a previous attempt at partially closing the Blantyre factory in 1969 was reversed after union pressure.

Foremen end action pending more pay anomaly talks

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A LAST-MINUTE compromise was agreed yesterday in the pay dispute at Rolls-Royce in Coventry involving about 300 foremen.

After discussing a management ultimatum that they would be suspended without wages from to-day unless they called off various sanctions, a mass meeting decided to work normally to allow further discussions.

Sanctions had included an overtime ban which, with other action, was threatening to disrupt production of gas-turbine engines at the company's two factories.

Their union, the Association of Scientific, Technical and Managerial Staffs, said that the men were upset because their earnings had dropped below those of employees they had to supervise. At the same time, they were doing additional duties with extra responsibility.

They would now work normally, with the promise that the company would discuss every aspect of the pay anomaly. A wage rise might be possible in the fresh circumstances, it was thought.

APPOINTMENTS

Executive changes in EMI group

Mr. David Peacock, previously managing director of GEC-Elliott Control Valves, has been appointed managing director of AFA-Minerva (EMI), the fire and crime protection subsidiary of EMI. He succeeds Mr. Charles Coles, who has become financial director of EMI's industrial electronics operations. Mr. A. W. L. Mandy, formerly with ITT Business Systems Group, joins AFA-Minerva (EMI) as marketing director.

★

Mr. Ron Blass has been appointed vice-chairman of the PENGUIN PUBLISHING COMPANY and remains joint managing director with Mr. Ray Maskery. Mr. Jim Rose, the chairman, continues in the position of chief executive, which he took over folowing the departure of Mr. Peter Calvocoressi earlier this year.

Mr. Anthony Mott, a director of the company, has been appointed to the new position of editorial director, adult publishing, and will assume overall responsibility for the editorial policy of the Penguin, Pelican, Penguin Education, Peregrine and Allen Lane lists. Miss Kaye Webb, also a director, becomes editorial director, Children's Publishing and Mr. Patrick Hardy, who joins the main Board, has been made deputy editorial director, Children's Publishing.

★

Sir Martin Wilkinson has become chairman of ALTIFUND in place of Lord Blackford, who has retired from that position but remains on the Board.

★

Mr. John V. Richman has been appointed sales director of TIFFANY FOODS.

★

Mr. G. T. Beer has been appointed deputy managing director of WRIGHT AND GREEN (HOLDINGS) and Mr. D. G. M. Crisp has become a director. Linfood Holdings is the parent concern.

★

Mr. Robin Young has been made a member of the Board of SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY. Mr. D. A. Berridge, pensions manager, has joined the Society's executive and Mr. W. H. Lawson has been appointed to the assistant executive as assistant marketing manager. Mr. Young is a partner in Martin Currie and Co.

★

Mr. Clifford J. Smith, a director of Dorr-Oliver, has been elected chairman of the FILTRATION SOCIETY for 1976-77.

★

Mr. Jack Lowe has become chairman of the NATIONAL CAVITY INSULATION ASSOCIATION.

★

Mr. John Shaw, managing director of Cawoods (Fishcurers), has been appointed to the Board of CHRISTIAN SALVESEN (SEAFOODS).

★

Mr. D. W. Haspineall has been appointed a director of BRADSTOCK HAMBLIN.

★

Mr. Michael J. Kelly has been appointed a director of Rubber Estate Agency Marketing and Mr. Colin A. Kettle has joined the Board of Lewisohn and Heilbut. The parent concern is REA HOLDINGS.

★

Mr. R. W. Smith has been appointed chairman of J. H. MINET LIFE AND PENSIONS and Mrs. P. M. Green and Mr. D. G. McCulloch have been elected directors.

★

Mr. S. A. J. Young, financial director of JOHN I. JACOBS AND CO., is to retire from the company at the end of this year. From January 1 Mr. W. M. G. Williams will become managing director and Mr. Jocelyn Hambro will join the Board as a non-executive director.

★

Mr. A. Macdonald, chief general manager of GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION, is to retire on January 31, but will remain on the Board as a deputy chairman. Mr. D. A. Blaikie, deputy chief general manager, will become chief general manager from February 1.

★

Mr. J. B. Mutlow, sales director of Enots, has become president of the BRITISH COMPRESSED AIR SOCIETY for a two-year term.

★

Mr. Michael P. Tinne has been appointed chairman of the local Board and general manager of SENA SUGAR ESTATES in Mozambique.

★

Mr. N. G. Panter has resigned from the Board of DOWNS SURGICAL GROUP.

★

Mr. Bill Craven has been appointed chairman of ST PETER SPORTING GOODS. His place as joint managing director has been taken by Mr. Paul Sullivan.

★

Mr. Tom Motherwell has been appointed a director of WOOD-WEIR ENGINEERING SERVICES. He replaces Mr. R. M. Murray, who has resigned to devote more time to his work as director of international operations for Weir Pumps. Wood-Weir Engineering Services is jointly owned by the Weir Group (parent of Weir Pumps) and the John Wood Group. Mr. Motherwell takes up his new position in addition to his post as service manager for the spares and service division of Weir Pumps.

★

Mr. Colin Shaw, chief secretary to the BBC since 1972, has been appointed to the new post of director of television at the INDEPENDENT BROADCASTING AUTHORITY from next spring on the retirement of Mr. Bernard Sendall, deputy director general (programme services).

★

Mr. James Anderson, president and director of Anderson Strathclyde, has been elected chairman of the BRITISH PRODUCTIVITY COUNCIL. Deputy chairman of the Council is Mr. John Cousins, director of manpower and industrial relations at NEDO.

★

Following the merger of Laur Punter with Wellorax, the new Board of LAUR PUNTER consists of: Mr. W. A. Wells, Mr. C. Punter, Mr. S. Convey, Mr. B. East, Mr. B. Walker and Mr. C. A. Champion.

Man who thought union expelled him can rejoin

BY OUR LABOUR STAFF

AN ELECTRICITY supply worker who stopped paying his subscriptions to the General and Municipal Workers' Union believing that he had been expelled should re-join, the Independent Review Committee set up to consider closed shop problems has decided.

The man, Mr. A. N. Hines, applied to join the Transport and General Workers' Union but the GMWU objected to his transfer. As a result he risked losing his job under the industry's closed-shop agreement.

Acording to the GMWU, Mr. Hines had not been expelled and, says the committee, it has received "satisfactory assurances" about his treatment if he agrees to return. "The committee considers that it is in Mr. Hines' best interests to re-apply for membership of the GMWU."

Mr. Hines, says the committee, had shown reluctance to re-join the GMWU, but this sprang from "misunderstandings and misconceptions," particularly his belief that he had been expelled.

Another complicating factor was his earlier association with the Electricity Supply Union. This non-TUC union is not party to the closed shop agreement, and several of its members have been dismissed for failing to join a recognised union.

Suspension continues

THE NATIONAL Union of Teachers disciplinary committee has told 32 members at Little Ilford School, Newham, whose membership was suspended for staging an hour-long unofficial strike last month that they will remain suspended until they sign an undertaking not to stop work again without executive approval. A member of the group said that there would be an appeal.

Call for code

Employers could be liable under new legislation for legal action on behalf of children born with deformities, even though the mother herself was not injured, claimed the Industrial Relations Review and Report. The magazine calls for a code of conduct to be drawn up for pregnant women who work.

Waste charge

The Department of Employment and Manpower Services Commission is accused of wasting money on its job-finding services in a report by the Federation of Personnel Services—the organisation representing private agencies. The Federation said that the Government spent ten times as much as private agencies on salaries, but placed fewer people in employment.

Strike goes on

The unofficial strike by 600 seamen at Felixstowe, Suffolk, continued in spite of urgent talks between union and management representatives. The seamen are seeking no-redundancy guarantees and recognition of the union's port committee.

Union officer appointed

MR. FRANK EARL, aged 40, a regional officer at Newcastle-upon-Tyne, has been appointed a national industrial officer of the General and Municipal Workers Union to succeed Mr. Bill Bradley, who died in August.

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The Marketing Scene

ITV's slow pick up

ANTONY THORNCROFT

may be regaining some nd from the BBC in its ts to return to its traditional ion as the more popular tele- n channel, but the October es, which show a 50-50 split een ITV and BBC for the ing audience, have far from d the complaints of adver- s and agencies, and in fact a 2 per cent. ITV fall on nonth. But things improved ie latter part of October.

ı Spear, media chief at Ted s, reckons the peak time gs in October were 15-20 per down on the October 1975 s, and taken with the extra of buying TV time (some anies still prefer to go out r-sold rather than offer spots discount), advertisers can ap to 40 per cent. more for audience over last autumn. e disappointing develop- is that some of ITV's new ammes, such as The New gers, have not had the suc- predicted for them, and the is still claiming a majority e top 20 programmes—even Brush has crept into the gs. The ITV programmes do best are the old faith- like Coronation Street, roads, and The Sweeny. hough it is the overall size ıe audience watching ITV r than the most popular programmes that matter, agencies like big audiences because they enable them to reach their coverage quickly and easily. Securing adequate opportunities to see is becoming a problem, especially in London and the south where the BBC has a definite edge.

At the moment few advertisers are switching out of London, but as agencies and clients get together to plan their 1977 advertising budgets (which in many cases will not rise in line with inflation) the cost of television is playing a big part in their deliberations. Most major TV advertisers will stick with the medium, but some will put money elsewhere.

The problem is that press advertisement rates have risen almost as fast as television this year, and in 1977 may well go up more, while the ITV companies will be unwilling to ask for substantial rate card increases. So the ITV contractors, buoyed up by their current record year, and the knowledge that new advertisers, such as a recent spate of corporate advertising, are still trying to get on the medium, can afford to ride out the storm in the expectation that the BBC programme onslaught will recede slightly.

ew artists taped

SED to be thought that the d industry was recession , but not any more. This record sales are likely to be cent. down, which is caus- ome desperate rethinking g companies accustomed to ss. One area that does not re the attention it deserves pes, sales of which account ver 20 per cent. of the ı. business and which, st the overall trend, are still ng.

ord companies overlook because their preoccupa- is to "break" artists gh a hit single and then in on the more profitable ı sales. Tapes cannot k" an artist, and their r production cost cuts down e profit. But now one com- DJM, which grew rich on John, it attempting to arise new artists through

Since Elton John, who brought in over 90 per cent. of DJM's record revenue, moved to EMI, the company has been busy looking for new talent and in a dual marketing exercise it is launching an advertising campaign which is the first in the industry to concentrate on tapes. All told around £50,000 is to be spent in the next month, with advertisements appearing in the popular Press and on commercial radio. The tapes are mainly of new artists, and if just one really takes off the experiment will have been worthwhile.

DJM has also announced this week that, like other aspiring record companies, it is placing its £350,000 annual advertising account with a leading consumer agency, in this case Geers Gross, which made its name with TV campaigns for packaged goods.

A.T.

NEW agency, the first for time, has opened in Lon- It is McCorkell, Sidaway, ıt. and consists of Graeme rkell, a direct response con- t at McCanns; Ron Sidaway, vas head of Merchandising gy, the promotions com- and Bob Wright, previously tive director at Osborne.

agency starts with 00 worth of billings, its big- accounts being Encylo- a and Children's Brittanica ght by McCorkell from McCanns) part of Odhams Mail Order; Elliott Shoes; Maddiesons Holidays; and Baily's of Glastonbury.

● DAVID Ogilvy, founder of Ogilvy and Mather, is the first non-American to be elected to the American Advertising Federation's "Advertising Hall of Fame." Meanwhile O and M in New York has bought one of the U.S.'s top creative agencies, Scali, McCabe, Sloves, which has billings of 60m. dollars.

● THE Economist Intelligence Unit has published the definitive analysis of the U.K. watch market—the third largest in the world. The 350 page report costs £325, and suggests that in 1976 11m. units will be sold (worth £170m.) as against 8.8m. in 1971. Mechanical watches are expected to fall to 70 per cent. of sales next year under pressure from electronic watches, and to below half of sales by 1980.

● STOWE and Bowden of Manchester has gained the £200,000 plus account of the North West Electricity Board, which had been 20 years with Brunnings.

● ROYDS of Birmingham is handling the advertising for Carousel Holidays.

U.S. retailers consider

A return down-town

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

AT A time when British retailers are consumed with the idea of developing outside city centres, it is sobering to note that the American supermarket groups are wondering whether perhaps they might need to at least think of going back into the downtown areas.

At a recent conference in Washington, representatives of the major supermarket groups met with Federal and city Government officials and consumer pressure groups to consider ways of operating viable shops in the City centres.

The conference, held under the auspices of the Community Nutrition Institute and supported by retailers' two main trade associations, was in response to a number of factors. In the last 20 years, the supermarket operators have followed the population and moved out of the cities. Now virtually every town in the U.S. has its own satellite shopping centres outside—sometimes several—and the downtown areas have been denuded of all but the smallest food shops.

The planners, unlike those in England, have done little to stop the drift and indeed a drive round the States is enough to make anyone have second thoughts about the desirability of uncontrolled out-of-town shopping developments. The problem, however, as far as the consumer groups are concerned, is not the impact on the landscape but the effect of shops leaving the towns on those people who are left living there.

The worry is that competition in the city areas has been reduced and the prices paid by those living there are more expensive than those available in surburban developments. And, often, it is those people still living in the cities—the poor and the elderly—who need the cheaper prices most.

The argument is not, as it would be in the U.K., that the supermarket chains operate different price structures in their city centre stores and out-of-town developments but that competition, and pressure on space, has reduced choice for the urban consumer who is sometimes left with no option but to shop at her local convience stores, who only survive because they sell at higher prices.

The issue has been causing concern for some time. In the '60s, following hearings in Washington on the subject, most of the supermarket groups were persuaded to adopt a more uniform price structure across all their branches, and more recently the Federal Trade Commission has started an investigation into the question of both whether prices are higher in the inner city areas and whether the big groups left in the inner cities are using their power to keep other shops out.

In this situation, the supermarket executives who attended the Washington conference may well have felt that it would be in their interest to be seen to express concern about the plight of the inner city shoppers rather than have the FTC imposing its opinions on them. Even so, the Community Nutrition Institute was surprised by the attendance at its conference, and the apparent desire by some supermarkets to find a way of operating profitably in the down-town areas.

The picture presented at the conference was not very encouraging. A study, sponsored by the Super Market Institute and the National Association of Food Chains, and carried out in eight cities, showed that often there was not the volume to trade profitably in the poorer areas. The figures showed that expenses for inner city stores were 9 per cent. higher than for suburban stores and that net profits were less than half those achieved on the edge of towns. in the city centres.

Some practical suggestions, mostly along the lines of joint ventures and co-operatives, were put forward. In Chicago, Hillman's, a local supermarket chain, has started a joint venture in which the local community organisation owns two-thirds of the supermarket and Hillman's the remaining third. Hillman's is also paid a management fee for running the store. The company is very pleased with the experiment and says that productivity is the highest in its chain.

The main conclusion, however, was that no single organisation could provide the answer. Summing up, the director of the Community Nutrition Institute said that the solution demanded more than the food industry was capable of on its own. The city, consumer and the banks must also be involved. Food marketing, he stated, covered the whole gambit of social, economic and political issues.

The heart of Manhattan, but hardly a smart shopping area.

Labour alone cost 7 per cent. more in the inner city stores while rents, rates and utilities all cost more. Insurance costs were 70 per cent. above those outside the cities and repairs and maintenance 45 per cent. higher. Pilferage losses were also considerably greater.

All these factors have contributed to the drift of shops away from the city centres. According to the survey, the number of supermarkets in downtown areas has declined by between 28 per cent. and 56 per cent. over the last 10 to 15 years with Washington DC losing 33 per cent. of its food chains between 1968, the year of the race riots, and 1974.

As a result the square footage of supermarket selling space available in the poor city areas was substantially lower than in the more affluent suburban areas. In San Antonio, for example, there is now only 1.9 square feet of supermarket selling space per person in the downtown areas against 3.6 square feet in the newer developments.

The Conference provided no easy solutions to the problem. Some delegates suggested that the zoning controls, which limit land usage, could be relaxed and others proposed some kind of abatement on property tax, or accelerated depreciation of new investment, for store operators in the city centres.

The proportion of edge-of-town shopping facilities to urban shops is obviously far greater in the U.S. as is the amount of land available outside the towns. Moreover, the town centres have reached a far worse state of decay than most English towns. But British planners might note that if they want to retain the town centres as a shopping magnet they may have to take more positive and imaginative action than they do at present.

The majority of American consumers have, as a result of the development of accessible suburban shopping centres with their own car parks, a far easier time shopping than the British car-owning consumer who may have to spend up to half an hour looking for a car park and then walk some distance with her shopping.

But those less mobile Americans who live in the city centres might envy the facilities still available in many British towns. The ideal solution must lie somewhere between the two extremes.

Aspro revival time

BY ANTONY THORNCROFT

IT COMES as rather a shock to discover that Aspro, still sometimes used as a generic description for any analgesic, lost its brand dominance in this £23m. market around 15 years ago, and now gets by with just 4 per cent. of sales. Still things are starting to improve with the launch this month of a £550,000 advertising campaign for Aspro Clear.

Aspro Clear gets the same pain soothing results but dissolves without trace in water and has a pleasant taste, to boot. The product was developed by Nicholas, one of the few multinational companies to be Australian owned, in the early seventies, and launched in Australia in 1974. Although the market there is quite different (Australians are powder takers rather than tablet swallowers) Aspro Clear has gained over 12 per cent. of sales.

Nicholas hopes for a similar share here, although brand loyalty and the sluggishness in sales (this has been a static business for around six years) mean that it will take some time. But the heavy advertising is expected to give Aspro Clear a 2.5 per cent. stake by next summer, and also produce a boost for the conventional Aspro, which has not been promoted for some time.

Nicholas is spending the advertising money, plus below the line cash, in a six month burst, with Ted Bates handling the mainly TV campaign. So far the response to the product has been good, especially from chemists who are still responible for two-thirds of analgesic sales, and off take is just above target. But it is unlikely that Aspro will ever again be the dominant product at Nicholas. These days it has to fight for the promotional money with products like Radox and Rennies.

But perhaps Nicholas's greatest marketing success has been in the U.S. where it has developed the leading skin lightener for black consumers who do not want to be too dark. The brand is also starting to sell well in the U.K.

● THE Grand Prix at the Rank Cinema Advertising Awards was won by an Irish Agency, O'Connor, O'Sullivan, for a commercial promoting Gauloise cigarettes from advertiser P. J. Carroll. Runner up was Gordons Gin, and equal third were Campari and a Family Planning commercial. Gold awards went to Wimpy, the Health Education Council for an anti-smoking commercial, Moussec, Callard and Bowser, and St. Raphael.

Courting lawyers

DIRECT MAIL shots, special offers of a free tape recorder, and visits from salesmen are all very well in consumer goods marketing but they may come as rather a shock to the legal profession. But that is the approach of Cassette Law, a Oyez-IBC subsidiary which, with the co-operation of the Law Society, is encouraging solicitors to keep up to date with the law through cassettes.

The aim is to get 5,000 solicitors taking the cassettes, which start with Professional Negligence and go on to include Transferring Personal Assets Overseas. There are initially twenty titles with more planned and the idea is that solicitors, especially solicitors in training, might like to study law while they drive.

Instruction by cassettes is hardly a new idea and there are already management courses on the market. There is also a company producing monthly cassettes for companies who want to keep their car bound salesman up to date on current special offers and other marketing information. There is even another company, Waterlow, producing legal cassettes.

EXHIBITION TRAINS

Pioneer's big rush

BY ANTONY THORNCROFT

THIS year Pioneer, which claims leadership in the £50m. hi fi market rather than the more fuzzy £250m. total audio equipment business, did not take space at the annual Audio Fair at Olympia—which was just as well because it was cancelled. Instead it spent £110,000 on transporting the Pioneer Express on a three-month tour of over 50 railway stations—the largest rail tour to date.

Exhibition trains are quite an established phenomenon but few companies have invested as much in the idea as Pioneer, a Japanese manufacturer whose products are marketed here by Shriro. Even Pioneer must take second place to Rank Xerox in exploiting the train.

Rank Xerox spent over three years on a train, selling its products in Eastern Europe and is taking to the rails again next year. Pioneer did the next best thing in hiring the five top coaches in the British Rail fleet (those also used by Rank Xerox), plus an extra one, and also hiring, from private sources, steam engines to pull the train around some parts of the country.

In practice British Rail is not very responsive to steam, and for most of the time the old engines had to be pulled by diesels, but at the important locations The Flying Scotsman was on view to make a visit to the Pioneer Exhibition something of an occasion. It worked in as far as over 100,000 people visited the train to see the Pioneer equipment on display in the coaches.

Robert Todd, managing director of Shriro (U.K.), is well pleased with the response, comparing it with the 70,000 visitors to the 1975 Audio Fair, many of whom will not have bothered to visit the Pioneer stand, which had cost £70,000 to organise.

In addition there was an immediate pay back for Pioneer because any local distributor who wanted to be on hand in the train to meet the public had to order £2,000 worth of equipment in advance. A hundred and fifty of the 500 dealers joined in, ensuring that whereas Pioneer sales by the end of April had been 25 per cent. below the previous year's level by end October they were 5 per cent. higher.

Pioneer has shown its confidence in the best possible way: it is currently negotiating with British Rail to take over five coaches for a three year period.

It need not cost over £100,000 for a train. A more modest venture, with five coaches calling at ten venues in two weeks, works out at less than £15,000 and most of the £250,000 annual revenue that comes to British Rail from this source derives from the short tour users.

There have been eight other customers this year, including the printing industry in a joint exhibition, Nairn Floors (a return booking), Hygena, and the Yorkshire and Humber Development Corporation which toured the south of the country trying to interest companies in moving north.

The great majority of the almost fifty exhibition trains so far hired are aimed at trade buyers, and the obvious attraction is that it offers a company a more interesting location for a presentation than a local hotel. Not all the seventeen coaches in the British Rail fleet are as sophisticated as those used by Pioneer and Rank Xerox, but this is one area where British Rail has led the world.

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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THURSDAY, NOVEMBER 11, 1976

Non productive expenditure

SIR RONALD MCINTOSH, the director general of the Neddy Office, was clearly sticking his neck out on Tuesday when he made a speech advocating further early cuts in public expenditure, and yesterday the Economic Committee of the TUC — not to mention the leaders of the public sector unions — trod on it hard. There were two main reasons why it could scarcely avoid doing so. The first is that unions representing workers in the public sector play an important part in the working of the TUC and are naturally sensitive to any suggestion that the relative size of the public sector should be reduced. The second is that both the TUC and the CBI are now concerned about the risk that the coming economic package, whatever the Prime Minister may say about not accepting conditions that would damage the long-term growth of U.K. industry, may push a sluggishly growing economy into a sever recession.

Yet the NEDC has survived various changes of government more successfully than other institutions just because it has proved a useful forum for discussion between Government, TUC and CBI. It would be unfortunate if a misunderstanding of what Sir Ronald meant were in any way to diminish this usefulness. His intervention was obviously identical with those of the TUC and CBI, to reduce to a minimum the effect on the economy of brining inflation and the growth of the money supply under better control.

Minimising effect

The first point he made was that the fall in sterling, the rise in interest rates and the consequent drop in business confidence had already done much to upset the programme of diverting resources into manufacturing industry. The second was that overseas observers were unhappy, and rightly unhappy, not so much about the absolute level of public expenditure but about the high proportion of expenditure, financed by borrowing, which went on unproductive purposes. He drew the conclusion that a traditional deflationary package, introduced at a time when growth is sluggish at home and prospects for continued world growth are becoming more doubtful, might do lasting harm to the joint effort to improve productivity and would certainly discourage new capital investment. Rather than raise taxation, therefore, he would like to see substantial cuts in public expenditure that would allow more national resources to be used for productive purposes.

This is a line of reasoning which all but the public sector union members of the TUC should be able to endorse without much heart-burning. It is one, too, which we have often put forward. Given the need to control the growth of the money supply, the best way to minimise the effect on activity and unemployment (on any but the shortest-term point of view) is to transfer resources from the public to the private sector, where they can be put to more productive use.

Price controls

The Government recognises the need for such a transfer, in the sense that some new investment incentive is shortly to be announced. Whether or not it recognises clearly enough the need for reductions in the less productive parts of the public sector will become clear only when the forthcoming package is produced. In the meantime, the TUC is inevitably concerned not only about rising unemployment but about the rise in prices brought about by the fall in sterling, which will prevent the rate of inflation from dropping for some time to come.

It is to be hoped that union members are as ready as their leaders to recognise that higher prices caused by the fall in the exchange rate must be accepted as a real drop in living standards. It will certainly be difficult to maintain any form of voluntary wage restraint after next summer (as the CBI acknowledges) unless some form of price control is maintained. Mr. Hattersley, the Prices Secretary, seems to be playing with the idea of controlling prices with reference to profits — on the assumption, apparently, that profits are justified only if used for new investment. Before he goes further down this road, some tactful official should point out to him the distinction between profits and profitability. This would be a highly productive use of public expenditure.

Structural problems in West Germany

THERE WAS a time — not many years ago—when unemployment in West Germany scarcely existed. The interesting indicator to watch, so far as the labour market was concerned, was how far the number of advertised vacancies exceeded the number of those registered as out of work. The gap tended to be filled by workers from abroad.

No reflation

The economic recession of 1974-75, however, has changed all that. West Germany has now gone through two successive winters with unemployment over the 1m. level. Even now—with economic growth again running at an annual rate of around 5 per cent. — the number unemployed in October was officially put at over 940,000, or 4.1 per cent. of the labour force. In other words, there is the emergence of a structural problem and it is against this background that the Federal Government yesterday announced measures to facilitate retraining and labour mobility.

How far the measures were necessary may be judged from a breakdown of the unemployment figures. More than 10 per cent. of those out of work in October, for example, were under the age of 20. There were also marked differences in the demand for labour between one industry and another and between regions. The number out of work in the metal-working and electrical industries was still falling, but in the construction and construction-related industries it was again rising sharply. In Baden-Wuerttemberg the unemployment rate was less than 3 per cent. In the Saarland and other less developed areas it was around 5 per cent. Even the Bundesbank has acknowledged that there is now a structural problem. Any further reduction in unemployment, it said recently, is hampered by the fact that "supply and demand cannot always be brought into line on the labour market," and it noted especially the lack of labour mobility.

The measures announced yesterday suggest that the Government has accepted the Bundesbank's analysis. They will cost DM1.6bn. (just over £400m.), more than two-thirds of which will come from the reserves of the Federal Labour Office, and are specifically aimed at fitting the unemployed to the available jobs. In no sense can they be seen as directly reflationary. Indeed the Government spokesman said yesterday that reflation was not even remotely on the cards. There would be, he forecast, a neutral fiscal policy in 1977 and a broadly unchanged monetary policy for the time being.

"For the time being" is probably the operative phrase. At present economic growth is continuing, though at a slower pace than earlier in the year. There has been a large stimulus from export orders, and the September figures also showed improvement in domestic demand for capital goods. Inflation in the meantime has fallen below 4 per cent. Yet in view of the indications of faltering growth elsewhere it is a situation which will have to be closely watched. The most likely time for a change of policy is around January when the Government presents its annual economic report. That will coincide with the arrival of Mr. Carter in the White House and the possibility that he will favour a more expansionary course than either President Ford or even Chancellor Schmidt. The coincidence of timing suggests the need for prior consultation.

Some U.S. companies gain unfair export advantages through 'dummy' DISC corporations. David Egli reports

GATT puts a spoke in the DISC

ABOUT 75 per cent. of American exports are currently being traded through "dummy" tax relief companies in what amounts to a mammoth export subsidy scheme which violates the General Agreement on Tariffs and Trade (GATT).

A panel of experts in Geneva has concluded that complaints by other countries over the controversial U.S. Domestic International Sales Corporation (DISC) legislation are justified because of the advantages it confers on U.S. exporters through federal tax relief.

The DISC system, introduced only five years ago, will allow the indefinite, interest-free deferment of taxes of as much as $1bn. this year and it is estimated that this indirect subsidy may have had a trade-creating effect of some $9bn. in export gains for the U.S. at the expense of other exporters around the world.

The finding that such indirect subsidies have brought the U.S. into violation of GATT is acutely embarrassing for Washington, and the fact that concurrent findings of the GATT panel condemned certain features of French, Dutch and Belgian tax systems barely eases the delicate position in which the American Administration now finds itself. Mr. Frederick Dent, President Ford's special representative for trade negotiations, has lost little time in calling for consultations with "interested governments"—and there are expected to be many—in what is probably the most significant dispute over respect for GATT rules in the past 20 years.

The purpose of the talks, Mr. Dent said in Washington, would be to achieve a mutually satisfactory solution to the problem of trade-distorting effects of tax practices. He underlined that in the American view, "an internationally satisfactory resolution is essential rather than unco-ordinated unilateral changes in domestic law or policy."

This seems to imply that the U.S. would be prepared to negotiate a repeal of DISC legislation in return for changes in the tax policies of the three countries directly involved as well as a general tightening up of tax systems around the world to ensure that their impact on trade would be minimised. But the fact is that the GATT findings along with President-elect, Mr. Jimmy Carter's televised criticism of DISCs as "dummy" corporations which are a drag on the average U.S. tax-payer, will make it very difficult for the U.S. to obtain any kind of concession in return for abolition of the system.

Negotiations could be conducted in a two-phase process. Some of the sting has probably been taken out of initial consultations between the U.S. and the EEC because both sides have had ample opportunity to vent their spleen about the other's tax practices in the last three years. Since all four countries were found "guilty" in the eyes of GATT, they may now have a common interest to resolve the issue as quietly as possible, even though the trade distortion impact is far more important in the case of the American system. It is probably correct that, with the Tokyo round of multilateral trade negotiations entering the final stage, neither side wishes to appear to embitter relations with the other. Matters may get a little more complicated, however, if the Americans subsequently put the issue before a wider audience through the promotion of some new code to deal with the trade impact of tax practices on a global level.

As it is, the panel findings, which will be presented to the GATT Council to-morrow, are a Pandora's box of legal possibilities. On all four briefs examined by the panel, a prima facie case was found of "nullification or impairment of benefits"—a key phrase for the opening of complaints procedures under GATT. Doubtless many countries—not least Canada which gave interviews to the panel—will now watch the issue very closely. No matter how hard Washington tries to play down the affair on the international level, the Americans are obviously not going to be allowed to drag discussions out too long.

Some idea of the potential impact of the panel's finding can be inferred from the factual aspects of the DISC legislation accepted by the five-man panel. The panel says that projections indicate that the effect of DISC legislation on exports this year could be as large as $9bn.

It is always hard to estimate the trade-creation effects of legislation. It is even harder in this instance because the first two-and-a-half years of DISC operation (January, 1972-July, 1974) coincided with a great stimulation of U.S. exports by fluctuations in exchange rates, a sharp economic expansion abroad and widespread shortage of agricultural products. But the fact remains that American sources themselves set exports in 1974 (when there were fewer than 7,000 DISCs) at about $4.6bn. "higher than they would have been without the DISC legislation," adding that "these additional exports may have provided about 230,000 jobs in the export sector." At that time, U.S. exports which for tax relief purposes were channelled through Domestic International Sales Corporations accounted for some $43.5bn. or 61 per cent. of total U.S. exports for 1973. Washington says that 70 per cent. of U.S. exports went through DISCs in 1975 and as much as three quarters of total exports may be accounted for in the same way this year.

The DISC legislation, in effect providing for a tax advantage of some 25 per cent. on export sales—and designed by Mr. Nixon specifically as a tax incentive to increase U.S. export trade — came into effect on January 1, 1972. The instant attraction of the scheme can be seen from the growth statistics. After only three months, more than one thousand DISCs had been set up; at the end of the first year, there were nearly 3,500 such corporations; and nearly 5,000 after two years of operation. Now there are well over 8,000 handling on paper the whole range of U.S. exports.

The legal requirements to achieve DISC status are hardly arduous. The new domestic corporations had to show that 95 per cent. of their gross receipts and assets were "qualified export" receipts or assets.

These new domestic "tax haven" companies are not subject to U.S. federal income tax on current or retained export earnings but one half of a DISC's earnings is deemed to be distributed to the DISC shareholders and is taxable to those shareholders as a dividend. A liability to taxation on the other 50 per cent. of retained earnings would arise only in certain circumstances, such as failure to qualify as a DISC in a given tax year, which company tax lawyers have carefully avoided.

Certain inter-company pricing rules permit allocation of income between a parent company and its subsidiary DISC. DISC profits are taken to be an amount which does not exceed either 4 per cent. of its export sales receipts or 50 per cent. of the combined taxable income of the DISC and its related supplier. In most cases a fifty-fifty split of profits is chosen, and since one half of the DISC profits are considered to have been distributed to the parent, the net effect is as if 75 per cent. of the export profits were taxed on a current basis. Tax on the remaining 25 per cent. allocated to the DISC is deferred, without attracting interest for the period involved, in contrast to the general practice of late payment of Corporation Income Tax. In addition, the DISC is entitled to a supplementary profit equal to 10 per cent. of related export promotion expenses.

The European Community argued in the panel hearings begun last March that DISCs were "fictitious subsidiaries" with no personnel, no inventories and no operating costs of their own. In addition, the tax deferment advantages were unlimited in time since there were no rules in the DISC legislation to prevent the deferment from being maintained indefinitely. The system, the Community argued amounted to an export subsidy incompatible with America's obligations under the GATT article 16 relating to notification of export subsidies.

The U.S., hotly denied that the DISC legislation amounted to a subsidy on exports, and claimed that the legislation had brought inter-company pricing rules "more in line" with those of other countries on exports, thus removing an existing distortion rather than creating a new distortion in international trade.

In counter-charges, the U.S. claimed that a number of countries, including France, Belgium and the Netherlands, did not tax currently the export sales income of foreign branches or foreign sales subsidiaries. A domestic manufacturing company in these countries, the U.S. claimed, could enjoy low tax rates on a proportion of foreign income as a result of setting up a branch or subsidiary in a tax haven. Thus, before the DISC legislation U.S. exporters had been at a disadvantage. Instead of correcting this imbalance in a way which would have increased the attractiveness of foreign tax havens, the U.S., it was claimed, had preferred to adopt the DISC to offset the imbalance and to neutralise taxation as a consideration for U.S. firms in deciding whether to locate manufacturing facilities at home or abroad. The Community, however, put it to the panel that DISC legislation "created a new tax haven in the U.S. itself."

It took two and a half years for the Community and the U.S. to agree on the membership of the investigating panel established on July 30, 1973. Since March of this year, however, the argument has raged back and forth between the EEC and the U.S. over the correct interpretation of GATT rules, over export promotion expenses, inter-company pricing and whether or not the DISC permitted a lowering of export prices, over "flag discrimination" and a host of other technical points.

After setting out the arguments in detail, the GATT panel, whose leading light was undoubtedly Mr. F. Forte, a professor of public finance at the University of Turin, found all parties guilty of providing export subsidies and noted that legislation, or practice in some cases, had effects which were not in accordance with their obligations under GATT.

The GATT Council, at this stage, is not expected to take any action on the findings, but the European Community has already indicated willingness to engage in consultations with the U.S. It is expected to stress that in trade and financial terms the effects of the DISC legislation are out of all proportion to the very limited impact of the tax relief practices of Belgium, France and the Netherlands.

The British delegation in Geneva is reportedly "rather pleased" with the findings, but takes a realistic view as to the outcome.

It would be unreasonable, it is felt, to expect abrogation of the DISC legislation without a quid pro quo. Perhaps the Americans will take a moralistic approach and call for a whole new set of international rule on tax practices. Perhaps they will attempet to "horse trade" repeal of the DISCs in return for removal of the European export inflation insurance schemes which a GATT working party is presently examining. The DISC issue might even be brought into the present Tokyo round of multilateral trade negotiations, although this seems unlikely. But there could be a final compromise taking in which trade advantages for some countries—gained in the Tokyo round—could be offset if the DISCs were committed to oblivion.

Much will depend on Mr. Carter's economic advisers. So far his dislike for DISCs has been expressed in terms of their impact on U.S. tax revenues in forgone collections. These were set at $756m. in DISC year 1974 and are projected to reach more than $1½bn. in fiscal 1977.

There is, of course, the aspect of employment creation which is of great importance to the Carter camp. If DISCs, as the panel report and American projections suggest, may have provided 230,000 jobs in the export sector in 1974 and the effect of DISC legislation on exports has doubled since then, can the new Democrat Administration afford to be too responsive to international pressures?

OVERALL TAX ADVANTAGE OF THE DISC SYSTEM FOR U.S. PARENT PRODUCTION COMPANIES

	Effective tax rates*
Eastman Kodak	36.1
United Aircraft	48.4
Caterpillar Tractor	31.6
McDonell Douglas	3.2
Union Carbide	23.6
Monsanto	24.7
Dow Chemical	29.1
R. J. Reynolds	23.8
Sperry Rand	26.0
Textron	46.0
FMC Corporation	20.0
TRW	30.6
American Brands	37.7
Raytheon	44.6
Average of 14 firms	30.3

* The effective tax burden of companies with a disc subsidiary, related to the legal rate of corporate tax of 48%. The degree of apparent tax reliefs shown in the table may be related to other factors as well as concessions for DISC subsidiaries.

Source: An analysis of DISC, by the staff of the House Budget Committee for the Task Force on Tax Expenditures. Sept. 1975.

Mr. Frederick B. Dent: an internationally satisfactory resolution is essential.

MEN AND MATTERS

The churches' nuclear probe

Energy Minister Anthony Wedgwood Benn is on record as favouring plenty of public debate about the future uses of nuclear energy, and next month yet another body is getting into the fray. The British Council of Churches is planning what it calls an "independent inquiry" into the proposed CFR1—the commercial fast reactor No. 1.

Benn himself seems keen, planning to give evidence and generally bestowing on the whole idea his "warm support," according to one of the inquiry's leading lights, the Right Rev. Hugh Montefiore, Bishop of Kingston. Montefiore is now quite a seasoned campaigner on environmental matters: earlier this year, he went under the anti-Concorde banner to the hearings in Washington which debated whether the aircraft should be allowed into the States. The Bishop made an imposing front-row figure, hard to ignore, and he made a fighting speech. Some of his flock living near Heathrow were pleased, but others working in local aircraft engineering factories were probably less impressed.

The two-day inquiry in London will attempt to grapple with several prickly nuclear points, with a generally critical line running through the suggested subject matter of some of the sessions. The churchmen are thinking of asking for evidence from several other Ministers apart from Benn, including the Chancellor of the Exchequer, and from power chiefs and leading trade unionists.

The British clergy's initiative follows a resolution adopted last month by the U.S. National Council of Churches opposing many aspects of the so-called plutonium economy (the fast breeder is fuelled with plutonium).

The council wants the American Government to ban the use of plutonium—named, incidentally, not after the king of the underworld, but like uranium after an outer planet—to oppose export contracts for reprocessing spent nuclear fuels, and to reduce the stockpiles of nuclear weapons. It also urged member churches to "call upon each Christian" to inform himself on nuclear affairs.

"Central Office thinks he might be a Powellite!"

Icy tales

As Ira Waggoner found, talk about towing icebergs around, and most people stop listening. Waggoner, as I mentioned earlier this year, was one of the more entertaining fringe Presidential candidates in the U.S. who sought support for towing in icebergs to irrigate the California desert. Now a similar idea is being promoted seriously by the Saudi Arabians to help overcome their shortage of fresh water.

Prince Muhammed al Faisal, governer of the country's Saline Water Conservation Corporation, said last month that one giant iceberg could provide 26m. gallons of fresh water, enough to supply half the requirements of the main port of Jiddah. The scheme, he added, was not "as far out as it sounds."

Now quite a few of the other details have been filled in by a French engineering company called Cicero, which has high hopes of winning a contract to supply the bergs. The statistics go like this: the icebergs would have to be hauled 5,000 miles from the south pole; each would be 85m. tons; to protect the monsters en route they would be covered; and there would be a 20 per cent. loss in mass during the voyage.

To minimise damage tugs would move at one knot, so the journey would take some six months. At the entrance to the Red Sea, the depth of water is only 120 feet, so the bergs would have to be cut into 1m. ton chunks using heated electric cables.

Once home, the icebergs would slowly melt in the sweltering heat and "lakes of water" building up on the surfaces would then be pumped ashore. Cicero claims the capital cost of the project would be some $90m., and each voyage would cost $30m. And why the south and not the north pole? The trouble is that icebergs in northern waters are mostly saline . . . as I am sure you knew already.

But to you, my boy . . .

THE GUARDIAN

Printed in London and Manchester Wednesday November 10 1976 10p 12p

A certain newspaper's first edition yesterday, showing an understandable reluctance to bow to the pressure of market forces after a recent price increase.

Listen

Could this be part and parcel of the IMF's advice to the U.K. Government? "The Budget should be balanced, the Treasury refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and assistance to foreign lands should be reduced lest the State become bankrupt. The people should be forced to work, and not depend on Government for assistance." Sound stuff: it came from the Roman orator, Marcus Tullius Cicero, just before the birth of Christ. The apt quote was picked up and repeated yesterday by Leslie Pincott, managing director of Esso Petroleum at a Westminster Chamber of Commerce luncheon meeting.

Alternative

Nepal is opening up to tourism and Western ways. At Pokhara, about 40 miles from Anapurna, there is a roadside notice reading: "Pony-trekking in the Himalayas. For businessmen a carrier pigeon service is available."

Observer

ECONOMIC VIEWPOINT BY SAMUEL BRITTAN

Autumn Budget for a new Chancellor

'ANCELLOR rose. "Mr. Sir, we have all of us esmerised for too long anistic macro-economic ons based on highly ive forecasts and have d the incentives, deter- l expectations operating evel of individuals on economic performance It would have made easier if I had simply ed a package of indirect eases and public ex- e adjustments designed ce the Public Sector ig Requirement by the amount with which we ve got away. But this be too partial an , and could easily he economy into reces- hout restoring confid- sterling.

ictions and austerity enough. We want a which offers us both ulism and more hope. PSBR or money supply ns improve the out- domestic inflation and ing, or whether they ly dissipated in a de- of output and employ- ends on the reactions beings which are not simulated in the Income Forecasts (the Committee Reports on , as a new departure, in the Vote Office). does the breakdown fiscal and monetary atter; a £X improve- ne PSBR brought about diture curbs is worth n one of £2X brought an increase in the tax ndeed a so-called im- t brought about by the eans is probably not ing.

nonsense is spoken about the Public Sector Borrowing Requirement than any other subject. Few people realise that there is a public sector current account surplus of nearly £1bn.; and the £13bn. of capital expenditure does not represent a deficit in the Gladstonian sense. Moreover, the PSBR includes £7bn. of interest payments, some £4bn. or £5bn. of which would be seen as refinancing on an inflation accounting basis.

"Modern monetarists also recognise, except when they are making television broadcasts across the Atlantic, that the measure of the Budget deficit should be adjusted for changes in the level of activity—the unadjusted U.S. Budget deficit, which covers far fewer items than our own, is running at $60bn. Nothing did more to discredit sound finance than the crude Budget balancing attempted in the 1931 Depression which I have no intention of following.

Indexed bonds

"It would, however, only confuse matters if I were at this stage to redefine the PSBR. Our money supply limit of 12 per cent. for 1976-77 and 8 per cent. for 1977-78 has overriding priority. The right size of the PSBR is that which can be financed consistently with these targets and without driving up interest rates to a level which kills off investment. I make no apology for not being able to forecast what that size is, and am prepared to make adjustments *ambulando*.

"The conversion offer to all holders of Government stocks into 3 per cent. indexed bonds, and in the case of overseas holders to dollar or SDR bonds, of variable maturities should both reduce the Exchequer cash outlay next year and make inflationary finance distinctly unattractive for the Governments which follow us. After consultation with the institutions I shall be announcing in my normal April Budget ways of removing the tax deterrents to indexed securities in the private sector. My Right Honorable Friend (the Chancellor of the Duchy of Lancaster) will be elaborating on these and other matters in the debate.

"I should like to clarify the external position a little further. Some extremists believe that the best service our friends could perform would be not to lend us any more money. I do not go so far. But the $3.9bn. IMF standby and the 'Basle' standby strictly related to any rundown of official sterling balances announced to the House yesterday, are the limit of what we are seeking. Contrary to Press Reports, we are not seeking further credits from the U.S. or Germany, the EEC, or any other source. The Exchange Cover scheme for public sector dollar borrowing is to be terminated from January 1. It is of course still open to any corporate body in the public or private sector to borrow overseas (subject to the newly liberalised exchange control): but the exchange risks can no longer be borne by the taxpayer.

"An increased flow of overseas investment into the U.K. is the one way of mitigating, and perhaps even avoiding, the fall in U.K. living standards which would otherwise be necessary. There are many things going for the U.K. Dollar wages are by far the lowest of any OECD country outside the Mediterranean area. The pound is standing at somewhere between 10 and 20 per cent. below its purchasing power parity. North Sea oil payments will be allowed to have their full effect on the exchange rate consistent with official debt repayments. Thus, if confidence can be restored, sterling investment could be a very attractive proposition.

"The phasing out of price and dividend controls, and their replacement by tighter competition legislation, is important here, as is the ending from next August of specific pay norms while maintaining a broad framework of restraint.

BUDGET IN BRIEF

	Full year savings £bn.
Rents, mortgages	0.7
Housebuilding, land	0.9
Industry and subsidies	0.9
Other savings	1.0
Indirect taxes	1.7
Tax, soc. security	−1.2
Total saving	4.0
N. Debt conversion	n.a.
Inc. Tax relief	n.a.
PSBR improvement	2—4
Projected PSBR	7—9

"Nevertheless, confidence is not something that can be created overnight by any action of mine; and there can be no ultimate guarantees about the future political and economic system of this or any other country. But we can make sure that if the mixed economy and the profit motive are to be replaced by some other system, it will be with the conscious approval of an entrenched majority of the electorate, and will not come about through any anachronism of our constitution. The Speakers' Conference, announced yesterday by the Prime Minister, is thus more important than any budgetary measure I can announce.

"Whether we move to electoral reform, or elect an Upper House with genuine powers, have qualified Parliamentary majorities on major issues or any other change remains to be seen. But there is no future in legislation rushed through this House on the basis of a temporary plurality only to be reversed by another Parliament. *(Interruption).* My Honourable Friend may care to reflect that it is the doctrine of the mandate which enabled the Member for Bexley, Sidcup (Mr. Heath) to force the Industrial Relations Act on the country without a sufficient basis of discussion and consent.

"Public spending serves two great purposes: to provide collective goods which cannot be effectively provided in the private market and to redistribute income towards the poorer or more unfortunate members of our society. The demarcation lines are inevitably controversial. But there are vast areas of spending, above all in housing, which cannot be justified on either of these or any other coherent grounds. Nor as a social democrat can I justify sums of well over £3bn. on aid to industry and agriculture. The role of the State is to correct distortions of the market, not to take on the entrepreneurial role. A fundamental reshaping of public spending programmes, which will involve the introduction of a Family Income Guarantee or negative income tax to replace the superseded programmes, will take up the remainder of the decade.

"But I must make a modest start by suspending disbursements on community land acquisition and municipalisation, and by a combined move to reduce council house subsidies and mortgage interest relief. There will be a suspension of council housing starts in 1977-78 pending review of the whole programme. Economies of £½bn. are to be made in discretionary aid to industry, including agriculture; and the National Enterprise Board is now to specialise in temporary *aid for industries facing structural decline.* Food subsidies are to end next year and transport subsidies cut. Across the board economies in other areas of public spending will save another £1bn., making £3.5bn. of savings in all.

"Expenditure on child benefits of all kinds is to be doubled as a first move to concentrating help where it is most needed. *Short term* social security benefits will be subject to tax and there will be no uprating in 1977-78. Nevertheless, allowing for some increase in Supplementary Benefit payments, I expect social security payments to increase by nearly £1bn.

Erosion

"Indirect taxes now account for 14½ per cent. of total tax receipts, a fall of 5 per cent. since 1970 — most of which took place under the Conservative Government. To make up for this erosion, I am introducing selective increases in VAT, raising the specific duties on drink, tobacco and petrol; and these duties are to be linked to the Retail Price Index and recalculated every quarter. The aim of these measures is not to raise the tax burden, but to stop the drift towards ever higher direct taxation.

"The conventional calculations of the effects of these measures on the RPI are in the Financial Statement. They will, however, be dwarfed by the movement of sterling. Our aim is to reverse the recent drift, not by intervention, but by internal policies; and the Bank of England has been instructed to confine its intervention in the foreign exchange market to operations on which it expects *to make a profit. (Voice: That would make a change.)*

"It would be prudent to defer a decision on the 1977-78 PSBR until April. What I can announce is that the tax thresholds and allowances, and the starting points of the higher rates, will all be linked to a new price index which will exclude terms of trade effects. What I have said means that if the tax thresholds have to be changed for revenue purposes, this will be done openly and not through inflationary stealth. My Right Honorable Friend (the Secretary of State for Employment) will be explaining the relevance of the new index for wage negotiators in the post-Phase Two period at a special conference of union executives.

"There are a few important changes which I can announce now. The maximum rate of marginal tax on earned incomes is to be reduced to 50 per cent. and on investment income to 60 per cent. On a mechanical calculation the revenue loss from this change will be under £0.3bn., less than 1 per cent. of total tax proceeds. In fact, I expect the Revenue to gain from the greater earning and reporting of incomes, in the ranges concerned. The Manpower Services Commission is opening a retraining branch for tax consultants.

"I am also re-affirming our commitment to a wealth tax to be introduced in 1978 in conjunction with a re-definition of investment income and capital and capital gains to take account of the inflationary elements. There can be no return to Death Duties which were avoided by gifts *inter vivos* or discretionary trusts. But we intend to convert the Capital Transfer Tax into an accessions duty to be paid by the beneficiary, to encourage the dispersion of wealth rather than its concentration in the hands of the State.

Thresholds

"The first major charge on the Revenue will be the raising of real tax thresholds, after indexation, to eliminate the overlap between the tax and social security systems. How far I can go in this direction next April must depend on my progress on financing the PSBR. But I have hopes of at least raising the children's tax threshold to above the Family Income Supplement level, which would cost £1bn. It is of course far more expensive to provide relief in the broad middle of the income tax bands than at the upper and lower extremities where the real disincentives and anomalies are to be found.

"Mr. Speaker, some of the items in the new Government programme, particularly those aimed at restoring confidence and incentive, may go against the grain of conventional political wisdom. But we have preferred to take a risk here rather than with output, employment and living standards. I am confident there will be a majority in this House for our measures."

Letters to the Editor

...onal ...s

...R. Holloway.

...w that most people's focused on the ques- ...e "money supply" it necessary to examine ...e present role of ...stitutions, such as banks and finance ...o offer personal loans, ...cured, to the private thus aggravating even highly sensitive area ...nomy. This type of beginning to prolifer- through aggressive campaigns in the Press. One such ...ent states that you ...ve to "pick up a secure a loan within ...ours. No mention is ...e purpose of the loan ...te of interest it will

...vity is clearly against of the Bank of directive to all banks should direct their vital industrial in- ...nd export needs and private individual or the property market. ...institutions involved particular form of are, of course, sub- associates of major ...eign banks and pre- ...ll on them to finance inflationary activity ...urages the ordinary "gear" himself up leads undoubtedly to ...ng of even more ...that is even more that one or two of ...ions concerned are ...ck to the Bank of "life-boat" which ...arly £1bn. from the ...n the secondary and ...nking collapse took ...74.

...ble with all this is ...re a number of com- ...aged exclusively in ...or financing of vital ...t and equipment in- ...rojects, with prime ...mes, who are often ...er "finance houses" ...nancial institutions" ...herefore, be caught ...e Bank of England such as the "cor- ...h they can clearly that what they are ...recisely what the ...re trying to encour- ...ver, industry has more and more on ...inancing alternative ...ict this important ...ld not only throw spanner into an ...crowded works, but ...ave grave economic ...ications.

therefore, be enor- ...ful if and when ...ictions are to be ...ne authorities to an- the intention is to private loan sector unequivocally that for vital capital ...or industry should to proceed un- The acceptance ...t, which tradition- a large extent the this important ...well aware of the may be powerless ...s possible contrac- given clear guide- authorities.

...s learnt from the must not be for- ...expense of free-for- ...hich is manifestly ...ain and which I ...ne of the major ...he money supply getting out of hand once more.

R. M. Holloway.
The Bath Club,
Brook Street, W.1.

Blurred society

From The Director,
Aims for Freedom and Enterprise.

Sir,—One does not wish to trample on an olive branch cast by a pleasant and effective man like Mr. R. S. Scott, but his letter (November 9) does bring out the fallacy underlying so much discussion on co-determination in particular and industrial relations in general. It is concerned with this awkward word "power."

Intelligent people will surely not dispute that managements should encourage trade unions to achieve their legitimate purposes and that organisations should have policies which encourage employees to make the maximum use of their intelligence and experience—in other words genuine participation. But this does not mean that free enterprise can easily exist, if you get rid of property rights. If I start a sweet shop, I have a duty to involve the assistants I hire. But the shop is mine. Likewise, a company belongs to the people who own it, and its Board should be elected by its shareholders. Workers like consumers have important rights, but these are not the same as property rights.

We do, I am afraid, live in a "blurred" society, and the belief that you have to blur things in order to work together has led to a number of dangerous situations in this country and in Germany and elsewhere. The Americans, who have practised genuine participation more than anyone are, so far, very aware of this.

Michael Ivens,
P.O. Box 443,
5, Plough Place, Fetter Lane, E.C.4.

Construction's decline

From The Chairman,
Devon and Cornwall Emergency Committee for Construction.

Sir,—Donald Maclean drew attention (November 6) to present pressure from local authorities for Government to allow them greater freedom to switch spending from capital to revenue items.

This country is presently suffering from excessive current expenditure which has grown to frightening proportions in recent years. The corollary has been continual pressure against capital investment which in all sectors of the economy has meant that we have lost the stability and resources that developing the value of our capital assets could bring in an inflationary world.

I trust that the Treasury and the Department of the Environment will resist the local authorities' proposals which would only increase the serious imbalance in our spending patterns and that they will seek to reverse these trends and ensure that central Government also directs a proper proportion of our income, whether earned or borrowed, to capital investment.

Nowhere can the present imbalance in public sector spending be seen more clearly than in the accelerating decline in the field of construction which contributed the lion's share of our capital investment programme in the past and has been responsible over the years for the existence of a great majority of this nation's long term capital assets. We must adequately maintain that which we have and we must ensure that alteration and development to suit present and future requirements is carried out before we concern ourselves with the luxuries of life in the public sector. We have too long been pre-occupied with the pursuit of ever higher standards in services and working conditions beyond our national means.

Any householder can testify that self-denial and discipline in the allocation of financial resources between the essential and the desirable commends itself to bankers. Borrowing against current expenditure is less likely to attract enthusiasm overseas than loans for investment in long-term assets which increases collateral.

When our annual public investment in construction is not much more than half the projected annual "overspend" it must be right to ask whether the cuts have been made in the wrong place in the past, and demand that the next round should better balance the account and increase the role of investment in our priorities.

Let us spend a little more on bricks and mortar and much less on transient "benefits" in our over-governed society.

D. Stoneman.
60, St. David's Hill, Exeter.

Bedford railway electrification

From The Honorary Secretary,
National Council on Inland Transport.

Sir,—I have been a supporter of railway electrification ever since the Southern Railway extended its electric trains over the Windsor branch more than 40 years ago. I was co-author a few years ago of a booklet "Electrify Now." I regret, however, that I can find little enthusiasm for the new Bedford project (November 9). Its only advantage is a small gain of time (which should be possible with pepped up diesels anyway), surely out of proportion in the present national economic context.

There is a case for continuing electrification and for keeping the teams of workers together and in employment, but this line is segregated from other electrifications and cannot be justified on the pretext of completing a network. May I suggest alternatives with a higher priority? (1) Blackfriars to West Hampstead (eventually beyond) for extension of Southern Region trains (closure of the surface station at Holborn Viaduct and its conversion to other uses would be a useful bonus). (2) Birmingham to Lichfield and Burton-on-Trent (interlaced with existing electric lines). (3) Liverpool to Manchester (ditto). (4) Manchester and Liverpool to Preston (and to Blackpool) to eliminate mixed working. (5) Glasgow to Edinburgh, (6) Colchester to Ipswich and Harwich (elimination of diesel trains between Ipswich and Liverpool Street), &c.

Moreover, peaks apart, who wants to go to Moorgate? The one or two who might want to travel that way (rather than to the West End) can use the existing exactly parallel London Transport trains. The only good thing that might be suggested in association with the proposal is the diversion of the Cambridge line diesels away from Liverpool Street into what would become an under-used St. Pancras, using (as did the Great Eastern Railway years ago) the existing Tottenham and Hampstead railway. This would avoid the need for some of the costly additions at Liverpool Street into which an inquiry is due to begin on November 16.

Roger Calvert.
Woodside House,
High Road, N.22.

Neither malign nor fanatic

From Mr. A. Toop.

Sir,—Lord Justice Salmon is reported (November 8) as expressing surprise in a speech in Liverpool that the policy of deporting recent coloured immigrants or "attempting to bribe them to leave this country" is still being advocated by "a few malign and dangerous fanatics."

The face and character of an increasing number of British cities have been radically changed over the past few years by immigration from Asia, East Africa and the Caribbean. So far nobody has asked my opinion as a citizen and voter on this important development in our national life. Now that the importance of the issue has been recognised by the Government's race relations legislation, I have thought it appropriate to write and speak on a number of occasions in favour of alternative solutions including planned and phased repatriation of at least important minorities of these recent immigrants.

I take sharp offence at Lord Salmon labelling me as either malign or a fanatic. This is to use the unrestrained type of rebuke which one observes judges using of prisoners in the dock, not to law abiding and sober citizens like myself.

Fanatic is surely a very extreme term indeed for anybody who voices a view which I have little doubt would be expressed in a referendum on the subject by at least as large a minority of the voting public as elected the present Government to power.

Alan Toop.
48, Netheravon Road, Chiswick.

Hardly fair to the client

From Mr. M. Griffiths.

Sir,—Mr. Philip Glennon (November 9) answers my criticism of present insurance commission arrangements by suggesting that brokers should charge fees for their services which would be a matter for negotiation between broker and client alone. The concept is attractive from the broker's point of view and already widely used; it is, however, hardly fair to the client.

The premiums paid for insurance, and particularly for insured pension schemes, include a substantial payment for the insurer's services. If, where the insurer fails to provide the services for which he has been paid, the broker provides those services at an extra fee the client must be paying for those services twice over. In my view the broker has a duty to prevent that situation arising—Mr. Glennon's solution would be to condone it.

I, therefore, remain of the opinion that the British Insurance Brokers Council should bring pressure to bear on insurers for a fair allocation of the service charge already included in premiums to those actually giving the services for which the charge has been made. Whether brokers should then account to their clients for all payments received from insurers and charge fees instead is an entirely separate issue.

Mark Griffiths.
Griffiths and Armour,
101, Derby House,
Exchange Flags, Liverpool.

To-day's Events

GENERAL

Prime Minister, accompanied by senior Ministers, begins two-day visit to France for talks with President Giscard d'Estaing.

Index of industrial production for September published.

Institute of Directors' annual convention, Royal Albert Hall, SW7. Speakers include Mrs. Margaret Thatcher, Opposition leader, Sir Richard Dobson, chairman, British Leyland, and Sir Michael Swann, BBC chairman.

Mr. Eric Varley, Industry Secretary, is guest speaker at Chemical Industries Association annual dinner, Grosvenor House, W1.

Financial Times Industrial Architecture Award lunch, Goldsmiths' Hall, EC2.

International Air Transport Association annual meeting ends, Singapore.

Lord Caradon addresses Institution of Structural Engineers meeting on "Colonialism to Internationalism," Royal Commonwealth Society, WC1.

Financial Times two-day World Insurance conference ends, Royal Lancaster Hotel, W2.

Confederation of British Road Passenger Transport annual dinner, Connaught Rooms, WC2.

PARLIAMENTARY BUSINESS

House of Commons: Consideration of Lords amendments to Aircraft and Shipbuilding Industries Bill.

Commons Select Committee. Race Relations and Immigration. Subject: The West Indian Community. Witnesses: Croydon CRC.

House of Lords: Rent (Agriculture) Bill, report stage. Sexual Offences (Amendment) Bill, third reading. Energy Bill, consideration of Commons amendments.

OFFICIAL STATISTICS

Finished steel consumption and stock changes (third quarter, provisional).

COMPANY RESULTS

Boots (half year). Chloride Group (half year). Coats Patons (half year). Head Wrightson (half year). Royal Dutch-Shell (third quarter). W. H. Smith and Son (Holdings) (half year). Smiths Industries (full year).

COMPANY MEETINGS

Adwest, Dorchester Hotel, W, 12. Dalgety, 10, Upper Grosvenor Street, W, 12. Dover Engineering, Winchester House, EC, 11.30. McLeod Russel, Victoria House, Vernon Place, WC, 12. Maidenhead Investments, Birmingham, 11. Telefusion, Connaught Rooms, WC, 12.30. Trafford Park Estates, Manchester, 12. Wallis (Costumiers), Connaught Rooms, WC, 11.30.

COMPANY NEWS + COMMENT

Sainsbury jumps to £10.7m. in first half

WITH SALES increasing by 18.2 per cent. to £326.2m.—showing a significant gain in volume and representing a further improvement in the group's market share —pre-tax profits of J. Sainsbury, the retail food concern, expanded from £5.74m. to £10.7m. in the 28 weeks ended September 20, 1975. Margins went up from 2.1 per cent. to 3.2 per cent.

For the second half Mr. J. D. Sainsbury, chairman, warns that results may be affected by the increasing inflationary pressure on food prices and the considerable economic uncertainties which will make for difficult trading conditions before the end of the current year.

Mr. Sainsbury reports that retail margins in the first half show a return to more normal levels after the difficult trading conditions and cost pressures which were particularly severe in the first half of last year. Greater operating efficiencies throughout the business have contained costs and allowed an improvement in the competitive position.

Three new stores opened during the period and full benefit was obtained from the 13 opened in the second half of last year. A further seven stores are planned to open before the end of the year, as part of a total company investment in the past two years of over £50m.

A limited programme of sale and leaseback continues and has already contributed to a substantial improvement in liquid position, members are told.

The interim dividend is raised *from 1.65p to 1.82p net—the total* for 1975-76 was 4.9p paid from profits of £15.42m.

	28 weeks 1976 £000	28 weeks 1975 £000
Turnover*	326,194	275,971
Profit before tax:		
Retailing	10,348	5,735
Associates	352	4
Total	10,700	5,739
Taxation	5,564	2,984
Net profit	5,136	2,755

* Includes VAT of £5,259,000 (£4,262,000).

Statement Page 21
See Lex

HIGHLIGHTS

The much stronger trend that was apparent in the second half at Sainsbury has continued into the first six months of the current year, while at General Accident the underwriting performance in the U.S. continues to recover. At Hill Samuel profits in the first half are said to be slightly lower than in the comparable period while Lex also takes a look at Graff Diamonds following the decision of the Board to buy the shares not already owned. Chubb is some 17 per cent. ahead after six months but a large slice of this is attributable to exchange gains while Readicut is unlikely to match the 36 per cent. growth seen last year with costs rising sharply in the final six months.

John Bright first half downturn

TURNOVER OF yarn and fabric manufacturers, John Bright Group was little changed at £9.15m. in the half year to October 2, 1976, while pre-tax profit contracted from £604,682 to £415,601. The figure for the year to March 31, 1976 was £1.18m.

As before the interim dividend is 0.95p per 25p share. Last year's total was 2.2p net.

Westward record £0.69m.

ON A TURNOVER up from £3.05m. to £4.11m., pre-tax profit of Westward Television expanded from £294,885 to a record £685,033 in the year to July 31, 1975, subject to Exchequer Levy of £206,825 (nil). At halfway profit was up from £73,493 to £280,814.

A Treasury permitted final dividend of 1p raises the total from 1p to 1.5p net per 10p share—the largest dividend paid by the company.

The chairman, Mr. Peter Cadbury, criticises the rate of tax, which added to the Exchequer Levy, takes 84 per cent. of the profits. "Such penal taxation, which amounts almost to confiscation, must have a very discouraging effect on companies and individuals," he says.

The future, says Mr. Cadbury, looks even better, as the sales figures for the current months show a considerable increase on the comparable figures of a year ago.

He warns, however, against too much optimism, and points out that "the future in this industry is always unpredictable, as it is dependent, not only on the health of the national economy, but also on the whims of Government."

	1975-76 £	1974-75 £
Turnover	4,109,963	3,046,913
Trading profit	685,033	294,885
Exchequer levy	206,825	—
Taxation	250,157	163,999
Net profit	228,021	130,386
Deduct: Dividends	147,740	98,493
To reserves	80,281	32,393

comment

Westward's 63 per cent. increase in pre-tax profits is hardly surprising, given the sharp recovery in advertising revenue which has been made over the past year. The group's own net advertising revenue has risen by 35 per cent. (better than the industry average), and since the year-end it has continued very buoyant with increases of up to 30 per cent. during the first quarter. Costs have been held, though the group has been spending more on developing its regional programmes, which it reckons is helping it to hold its own in the rating battle, even if the network programmes are facing a declining audience. Meanwhile, cash balances have jumped by 75 per cent. to £926,000, but at last Westward has announced some diversification plans. Certainly the costs of setting up the airline business will make a dent in its balances, and interest receivable is bound to be well down in the second half of this year, though this should be offset by higher TV profits. Meantime, the increased dividend takes the yield at 14p up to 17.8 per cent.; one of the highest in the sector.

J. Foster growth forecast

CURRENT indications are that profit of spinners and weavers John Foster and Son for the year to February 25, 1977, will be significantly better than the £94,341 for the previous year, the directors state.

They report a reduced trading loss of £143,574 (£279,820) for the first half.

As expected trading conditions proved difficult but trading opportunities are better particularly in the export field, they add.

Normally the greater part of earnings arise in the second half.

Consideration of a dividend is again deferred until the year's results are available. Last year a final of 0.8125p net per 25p share was paid.

	Half year 1976 £	Half year 1975 £
Turnover	4,861,576	4,119,719
Trading loss	143,574	279,820
Loss assoc.	4,890	*4,438
Tax credit	69,000	91,500
Overseas tax	—	3,500
Minorities	9,464	47,343
Debit balance	70,000	140,139

* Profit.

Davies & Newman to hold profit

TRADING PROFITS of Davies and Newman increased from £0.74m. to £0.96m. in the half year ended June 30, 1976, but reflecting heavier aircraft leasing charges of £1.51m. against £0.89m., the loss before tax shows an increase from £0.76m. to £1.41m.

Chairman, Mr. F. E. Newman, points out that the first half usually shows a loss as the period embraces only one of the five peak holiday months so important to the aviation business. For the full year he forecasts a group profit no less favourable than the £1.36m. pre-tax reported for 1975.

Referring to the shipbroking side, the chairman says that although there has been some increase in costs, commission income has remained steady and should continue so for the rest of the year.

On the aviation side, an increase in the number of aircraft from 36 to 46 in the last 12 months has accentuated depreciation and leasing charges in relation to earnings during the first half. The continued decline in the value of sterling remains a constant problem, but it is being combated by the ordering forward of foreign currency and helped by significant overseas earnings, he reports.

In view of trading prospects for the second half the interim dividend is being raised from 2.180035p to 2.379p net—the total *for 1975 was 6.540105p.*

	First half 1976 £000	First half 1975 £000
Turnover	30,342	19,462
Trading profit	964	741
Depreciation	788	614
Aircraft leasing	1,514	899
Investment income	177	113
Profit invest. sales	—	90
Interest payable	194	202
Associates loss	51	*8
Loss before tax	1,406	763
Tax credit	731	397
Net loss	675	366
Minorities	7	3
Attributable	682	369

* Profit.

comment

Davies and Newman appears to have boosted its half-time trading profits—up by 30 per cent.—at the expense of its pre-tax level. Here, the losses increased by 85 per cent. This is explained by the inclusion of ten new aircraft which have pushed the aircraft leasing charges up by 68 per cent. and the depreciation charge up by 28 per cent. This expansion should begin to pay off in the second half of the year—taking in the holiday season—a view which is reinforced by the third-quarter figures which evidently show a very substantial increase in the pre-tax return. With freight rates still bumping along the bottom, the group's shipbroking side seems to have little immediate chance of breaking out of its current depression. But the shares, which at 85p are yielding a prospective 13.4 per cent., covered 1.3 times by historic earnings, need not be too worried by this.

Mountview Estates

The directors of Mountview Estates report that profits are running at about the same level as last year and the results for the year should be no less favourable than those for the year to March 31, 1976, when pre-tax profit was £725,211.

The interim dividend is lifted from 0.35p to 0.45p net per 5p share, and a total of not less than last year's 1.0875p is forecast.

Trevor Humphries

Mr. John Sainsbury, chairman of J. Sainsbury.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
John Bright	int.	0.95	Dec. 17	0.95	—	2.2
Cater Ryder	int.	4.55	Jan. 4	4.55	—	15.73
Chubb and Son	int.	1.23	Dec. 7	1.12	—	3.12
Davies and Newman	int.	2.38	Feb. 1	2.18	—	6.54
East Midland Allied	int.	1.25	Jan. 7	1.06	—	2.6
Hartwells	int.	1.0	Jan. 31	1.0	—	3.57
Hill Samuel	int.	1.5	Jan. 4	1.37	—	3.88
King and Shaxson	int.	1	—	0.8*	—	2.76*
Mountview Estates	int.	0.45	March 28	0.35	—	1.09
Readicut	int.	0.42†	—	0.34	—	1.14
RCF Holdings		1.56	Jan. 2	1.56	2.44	2.44
Wm. Reed	int.	1.25	Dec. 10	1	—	2.68
J. Sainsbury	int.	1.82	March 7	1.65	—	4.9
Scottish and Mercantile		1.7	Dec. 14	1.62	2.7	2.45
Westward TV		1.0	Dec. 13	1.0	1.5	1.0

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Strike costs EMAP over £150,000

AFTER A loss in excess of £150,000 resulting from a strike which stopped production of all group newspapers and magazines for a week, pre-tax profit of East Midland Allied Press for the 28 weeks to October 9, 1976, emerged at £364,783 against £315,843. Turnover expanded from £5.94m. to £7.28m.

Stated earnings are down from 2.9p to 2.6p per 25p share, and the interim dividend is stepped up from 1.0625p to 1.25p net, absorbing £83,285. Last year's total was 2.6p.

Chairman Mr. Frank Rogers says the continuing fall in the value of the £ must result in the increased cost of newsprint. The rise in MLR will also add to costs, and it is therefore difficult to forecast the probable level of profit for the year. Last year's profit was £724,204.

	28 weeks 1976 £	28 weeks 1975 £
Turnover	7,279,918	5,935,300
Trading surplus	623,223	549,178
Investment income	1,938	1,935
Depreciation	193,874	156,258
Interest	66,504	79,013
Profit before tax	364,783	315,843
Taxation	189,687	164,238
Net profit	175,096	151,605

EMAP National Publications have again contributed the major part of group profits. As forecast, Garden News has now achieved the position of market leader. The three weekly publications Motor Cycle News, Angling Times and Garden News are now the leaders in their respective fields.

comment

In view of the share placing in February, it is fairest to take the earnings per share performance of East Midland Allied Press which shows a fall from 2.9p to 2.6p. After the high level of expenditure on modern plant in recent years, this result is disappointing. The company has suffered from two problems which, one hopes, are exceptional. A strike at the end of August cost £150,000, and technical difficulties at Kettering have prevented the publication of all the available advertisements. On this basis, a better second half could be expected, but fear of further increase in newsprint prices (the last was in August and the pound has fallen substantially since then) hangs over EMAP as it does over all newspaper publishers although so far the company has proved nimble in raising cover prices to compensate. At least regional and leisure publications are on the right side of national trends in advertising and the low level of recruitment advertisements has been made up for by increased display. The maximum prospective yield on the shares at 32p is 14.3 per cent.

Scottish & Mercantile progress

Profit of the Scottish and Mercantile Investment Company for the year ended March 31, 1976, was £488,198 compared with £329,638, subject to tax of £223,840 against £125,281.

Stated earnings are up from 3.51p to 4.77p per 25p share, and the final dividend of 1.69985p net lifts the total from 2.45445p to 2.69985p.

Profit attributable to shareholders after extraordinary items and minorities was £242,382 against £184,439.

NEW FUND FROM NATWEST

National Westminster Unit Trust Managers has launched the National Westminster Portfolio Investment Fund. With a minimum investment of £5,000, enabling the management charges to be kept low, the fund aims to provide overall growth of both capital and income through a flexible investment policy by investing initially in the U.K. equity market. Units are being offered at 50p each for the first two weeks. The gross starting yield is estimated at 7 per cent. per annum.

Downturn of £0.4m. at RCF–dividend held

A SHARP fall in pre-tax profit from £0.9m. to £0.49m. is disclosed by hand tool manufacturers, RCF Holdings for the 12 months to July 31, 1976, after £0.12m. (£0.3m.) at half-way.

The substantial reduction in sales volume continued in the second half, mainly as a result of the short-fall in export orders received.

However, despite adverse worldwide trading conditions having persisted, Mr. J. Godfrey, chairman, reports some degree of improvement in the second half compared with the first.

Stated earnings per 25p share for the year are 3.92p, against 6.89p. The final dividend is 1.5625p for a total of 2.4375p (same), absorbing, with preference payments, £158,153.

Limitations of cash resources coupled with the exorbitant cost of borrowing and lack of confidence for the future have served as no encouragement for capital investment—nevertheless, within available resources the company has continued to invest where saving in labour can be achieved, and the warehousing facilities within the Birmingham manufacturing complex are being extended.

A programme has also been laid down to update the equipment within the data processing department to provide an increased range of services for manufacturing and wholesaling divisions.

There has been a reduction in bank borrowing due to effective credit control and an increase in borrowing facilities has been negotiated which should adequately cover medium-term needs.

	1975-76 £	1974-75 £
Turnover	[illegible]	10,817,901
Trading profit	487,583	831,118
Abnormal credits	[illegible]	73,600
Profit before tax	491,562	904,616
Tax	253,759	464,604
Net profit	[illegible]	440,012

The slow improvement in the receipt of orders in the latter part of the year has continued but is mainly attributable to an improvement in orders received from the home market whereas export order input continues to be disappointing.

Factories within the manufacturing division are continuing to operate below capacity.

The fall in the value of sterling has created price increases in raw materials way beyond budgeted expenditure, the chairman states.

A valuable contribution to profits has been made by the South African subsidiary despite the difficult trading conditions in that country.

Satisfactory progress continues to be made by the wholesaling division and it is anticipated that this division will make a significant contribution to profits in the current year.

comment

The main feature of RCF's results is the fall-off in exports. The group has concentrated its main efforts in countries which have been experiencing rough times of late, so that the trend compares adversely with the previous year's 73 per cent. rise; exports fell by 18 per cent. in value to £3.17m., suggesting that the volume decline was indeed severe. The main victims were Australasia and S. Africa which together account for more than half of exports. The only buoyant market was predictably in the Middle East. Export orders are still coming in slowly, but some compensation is a slight improvement in home demand for hand tools so far this year. With some doubt about the continuation of this improvement and no clear signs of better days for the construction industries in the Southern Hemisphere, the shares are unlikely to improve for a while yet. At 22p (down 52 per cent. from this year's peak) the yield is a cautious 18.3 per cent.

Readicut up 30% after six months

AN ADVANCE of some 30 per cent. to £2.13m. in profit, before tax, is reported by Readicut International for the six months ended September 30, 1976; but Mr. Frank Newhouse, chairman, warns that he does not expect the full year's figure to show as high a percentage increase as this, due to pressure on margins from cost increases.

With the rights issue in July the directors forecast profits in excess of the £5.6m. achieved in 1975-76, and they intended to pay total dividends of 1.42p net on the enlarged capital.

The interim dividend is now being raised from 0.33784p to 0.4223p—the total for the previous year was 1.13513p.

Net profit emerged at £1.04m. compared with £0.8m., giving earnings per 5p share of 1.45p (1.16p).

Of the six divisions, retail, yarns and textiles all produced higher profits than last year. A reduction in others division arises from the inability, in the time available, to eliminate the loss-making operations of Plasticisers and allied companies: in the full year to October 31, 1975 they incurred losses totalling £541,000. They are now operating profitably, and it is hoped that they will earn a profit for the complete current year.

	Half-Years 1976 £	Half-Years 1975 £
External sales	28,541,099	19,784,000
Trading profit	3,099,150	2,272,477
Depreciation	654,344	430,269
Profit	2,444,806	1,842,208
Interest paid	314,461	196,315
Profit before tax	2,130,345	1,645,890
Taxation	1,091,808	844,821
Net profit	1,038,543	801,069
Extra-ord. items	29,765	34,825
Dividends	341,042	219,889
Retained	728,766	615,805

In the overseas division almost the whole of the reduction in profits arose in Germany, where, nationally, retail sales were anything but buoyant, and the subsidiary had to combat increased competition.

During the half-year exports increased by 83 per cent. from £4,331,000 to £7,943,000 and the capital expenditure programme is on stream, almost £1m. having been spent.

The chairman intends to relinquish his position on the Board on March 31, 1977, but will be accepting an invitation to become the group's first life president. The new chairman will be Paul Croset.

comment

Readicut is unlikely to rep[eat] the 1975-76 36 per cent. pr[ofit] jump in the current year. T[he] second half will bear the br[unt] of new wool and textile pri[ces] where increases of 30 per ce[nt] have already been notified or [are] in the pipeline. This will up[set] the normal profit split of 30 between the two halves and co[uld] leave final figures around £6 pre-tax, despite steady growth [in] all the textile divisions and v[ery] good export sales levels. [The] newly-acquired Plasticisers d[ivi]sion should come back into pr[ofit] by the year-end, but a hig[h] overdraft here, plus the ju[mp] in stock costs, suggests inter[est] charges 60 per cent. up for [the] whole year. The July rig[hts] issue came at an opport[une] moment for the company w[ith] costs rising fast: the £3.3m. [pro]ceeds comfortably exceed [the] £2.3m. capital expenditure [pro]gramme. With the permitted per cent. increased dividend, [the] yield would be 11 per cent. [at] a share price of 20½p and wo[uld] be covered 2.7 times. The p...

Development Secs. share bound–SE inquiry

BY MARGARET REID

A Stock Exchange inquiry is expected to be announced to-day into the sharp leap of 83p to 500p yesterday in the shares of Development Securities, the group with large McAlpine family interests which sold the Dorchester Hotel to an Arab group for £9m. cash in June.

After the bound in the share price, the Stock Exchange suspended the quotation at the request of the Board, which has also asked for the inquiry.

Later, the directors said: "Discussions currently taking place may lead to a satisfactory proposition to shareholders, but no announcement is likely to be made for a number of weeks." There was no comment on the company's behalf about suggestions that a take-over bid, perhaps from an institution, might be in the offing.

"Following the sale of the Dorchester, the Board has considered various alternatives for the future of the company, a substantial part of whose assets now consist of cash," the statement also said.

One of the Development's assets is a shareholding of some 2¼ per cent. in Prudential Assurance. It also owns a marina at Chichester and certain building interests. A circular issued in July after the sale of the Dorchester said that "there is no intention of merg[ing] the company with Newarthill, holding company for Sir Rob[ert] McAlpine and Sons."

The same circular then said t[hat] the directors had not yet m[ade] specific plans for re-investmen[t of] the sale proceeds but would [be] looking for "investments wh[ich] are capital rather than labour [in]tensive, with proven managem[ent] and operating in fields akin [to] those in which the group is [cur]rently engaged." The value [of] short-term loans and b[ank] deposits was put at the time [at] some £14m., a figure which i[s] believed is little changed n[ow]. This does not include the s[hare] stake in the Prudential.

Apart from yesterday's m[ove]ment, the shares had been ri[sing] strongly previously, having g[one] up from 370p at the beginnin[g of] this month to 500p before the [sus]pension.

...eneral Accident's ...ogress

BEFORE tax, exchange ...ity interests of General ...ire and Life Assurance ...n expanded from ... £27.4m. in the nine ...o September 30, 1976, ...xcess of the £16.8m. for ...975.

...ix months' stage profit ...om £6.5m. to £13.6m.

...itten premiums and ... income for the nine ...adjusted to exclude ... currency fluctuations, ...eases of 21.3 per cent. ...er cent. respectively.

...derwriting produced a ...m. in the third-quarter, ...otal loss of £3.6m. for ...months (£8.6m. loss) on ...remiums of £148.2m.

...proved experience in ... department was main- ... householders business ...a setback principally ...from subsidence claims ...d-quarter estimated to ...

...U.S. written premiums ...e months were $318.9m. ... and the operating ...104 58 per cent., com- ...107.41 per cent. A ... improvement was ...in the third quarter ... underwriting loss was ...£1m. giving a total of ... the nine months.

...e earlier trends con- ... the third-quarter with ...ng profits in Australia ... losses in Europe and ...lts in Canada.

	Nine months 1976 £m.	1975 £m.	Year 1975 £m.
...prem.*	478.3	347.5	471.7
...	41.5	30.7	42.4
...losses	14.5	20.6	25.7
...srnce.			
...	1.4	1.2	1.7
...int.	1.3	1.2	1.6
	27.4	18.1	16.0

...business. † Before tax. ... minority interest.

... months' comparisons ...d at December 31, 1975 ... exchange. Exchange ...ased on U.S.$1.63 ($2.02 ...or year), Canada $1.64 ...$2.06 for year).

...hasised that the results ...nterim period do not ... provide a reliable ... of those for the full ...directors state.

...ement Page 20

See Lex

group would again come out with record figures.

The long hot summer caused some problems on the supply and engineering side of the business, but both have been adequately dealt with, said Mr. Apthorp.

...m sees ...d year

...record year was fore- ... John Apthorp, chair- ... Bejam Group, at the ...eting.

...that the current open- ...mme of new freezer ...s on schedule and re- ...is earlier forecast of ...additional centres open ...nas. Extremely good ... being achieved from ...ntres immediately they ...

...ts current trading the ... said he was very ...h results so far in the ...r, and if trading con- ...its present level the

Hill Samuel raises interim

PROFITS OF Hill Samuel Group for the six months to September 30, 1976, before taking account of favourable exchange differences and extraordinary profits, are slightly lower than for the corresponding period last year.

Interim dividend is lifted from 1.365p to 1.5p net per 25p share. Last year's total was 3.8775p from profits of £7.55m., against £5.3m. The profit included merchant banking, banking, investment, investment management, insurance and shipping, and was struck after deducting interest on loan capital.

See Lex

Wm. Reed ahead at halftime

PROFITS of William Reed and Sons, weavers and converters and merchants of man-made fibres, increased from £159,712 to £222,125 in the half year ended September 30, 1976 on a turnover of £2.31m. against £1.87m.

The figures do not include extraordinary expenses of £14,800 or the results of William Utley or Wm. E. Rees.

The interim dividend is raised from 1p to 1.25p net—the total for the previous year was 2.88125p paid from profits of £279,000.

	First half 1976-77 £	1975-76 £
Turnover	2,305,839	1,862,917
Profit	222,125	159,712
Charged		
Depreciation	106,667	110,429
Interest & expenses	73,098	65,528
Taxation	118,000	83,000
Net profit	104,125	76,712
Dividends	57,300	24,000

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Highland Distilleries on pricing

ALTHOUGH VERY dependent on the general health of the industry for sales of new and matured whisky, Mr. J. A. R. Macphail, chairman of Highland Distilleries says that if the group's Famous Grouse brand (which showed a turnround into profit in 1975-76) continues to grow at its present rate, the future, taking all facets of the business into consideration, should be encouraging.

If one could assume sensible pricing policies by the industry and no further discrimination by Governments the chairman says that he would be optimistic about the future, but unfortunately "reality is a far cry from the ideal." There is no doubt that the industry will have to struggle harder than ever for success and at the moment optimistic projections based on past performance are being subjected to the most careful scrutiny.

Pointing out that some 79 per cent. of the price of a bottle of whisky goes to the Government, leaving very little left to be shared out, the chairman says that coupled with high inflation and competition, it can be argued that the present pricing policies of the industry are causing it to be under funded, especially if a continuing growth pattern is assumed.

A further complication to the pricing situation was the very sharp rise in prices of new whisky made in 1974 and 1975 and at present maturing. It will be essential that prices should be increased in such a way that the enormous rise in filling prices does not lead to a sudden and wild jump in price for the matured product and thereby causing disruption in the market.

The group's attitude to laying down stocks is that there should be sufficient for future requirements but there is no intention of carrying surplus stocks merely on the possibility of future sales. The chairman feels that the cash flow position must be given the highest priority in the meantime until the economic situation is seen to be soundly based.

A very tight rein is still being kept on investment as it is felt that the group is fully equipped to meet any upsurge in demand.

Accounts for the year ended August 31, 1976 shows a net inflow of liquid funds of £30,000 compared with an outflow of £2.51m. Group pre-tax profit increased from £2.04m. to £2.44m., on sales of £22.09m. (£15.11m.).

Meeting, Glasgow, December 3 at noon.

Acquisition benefits for Zetters

At the annual meeting of Zetters Group, chairman Mr. P. Zetter expressed confidence that benefits from the Copes Football Pools acquisition would become apparent during the current year.

Returns following the acquisition have exceeded expectations, and the optimism previously expressed was clearly "well founded," he said.

In bingo, the summer recession had been reversed and Zetters had successfully opened two new clubs. This gave further impetus to the Boards optimism for group prospects.

Chubb half year rise to £5.14m.

ON A TURNOVER up from £59.68m. to £74.24m., pre-tax profit of security systems group, Chubb and Son, increased from £4.38m. to £5.14m. in the half year to September 30, 1976.

Although it is difficult to be optimistic about the state of the U.K. economy, the present order book is at a healthy level and with a high degree of overseas trading prospects for the year as a whole are encouraging, the directors state. Profit for the year to March 31, 1976 was £11.77m.

The interim dividend is lifted from 1.12p to 1.232p net. Last year's total was 3.12154p.

	Half year 1976 £000	1975 £000	Year 1975-76 £000
Home sales	27,599	24,369	53,295
Overseas sales*	46,641	35,094	80,069
Total sales	74,240	59,683	133,364
Home profit	1,573	1,656	4,334
Overseas*	3,562	2,727	7,432
Total pre-tax profit	5,135	4,383	11,766
U.K. tax	1,240	1,255	3,467
Overseas	1,310	853	2,411
Net profit	2,585	2,275	5,658
Outside holders	321	284	790
Attributable	2,264	1,987	4,578
Pref. div.	21	21	42
Ordinary	572	520	1,443

* Including U.K. exports.

Anti-inflation regulations in several countries, including the U.K., affected margins and in South Africa profits were reduced as a result of difficult trading conditions in the light of the economic and political unrest there, the directors state.

● comment

Chubb is 17 per cent ahead pre-tax. But exchange profits account for something like half the upturn, trading in the U.K. is very flat and there are a number of weak areas overseas. Sales volume in the U.K. for the half-year is marginally lower in line with profits; Government controls in Canada are going to force a weak result this year and South Africa is 30 per cent. down pre-tax for the six months. Canada and Africa (which includes a still-buoyant Nigeria) accounted for close on a third of the group pre-tax total last year. However, there is strength elsewhere overseas now that Europe is recovering, and Chubb reckons it can get close to profits of £13¾m. this year—for earnings per share of around 12½p. At 88p a yield of 6 per cent. is well covered but a couple of points below the industrial average.

First half loss from Cater Ryder

A 4½ points rise in MLR during the half year to October 31, 1976, has resulted in a loss situation at bill brokers and bankers, Cater Ryder and Co., the directors announce.

This compares with a profit in the previous comparable period. The first-half deficit is amply covered by substantial inner reserves, the directors add.

The interim dividend is kept at 4.55p net per £1 share—last year's total was 15.73p and net profit £1.06m.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:—Allda Packaging, Allnatt London Properties, Anglo-American Asphalt, John Beales, Boddingtons Breweries, Boots, Chloride, Coats Patons, Continental and Industrial Trust, De Vere Hotels and Restaurants, Fitch International, Head Wrightson, Highgate Optical, Leopold Joseph, William Leech Builders, Pork Farms, Prichard Services, Pyramid Group (Publishers), W. H. Smith.

Finals:—A. Arenson, Assam Frontier, Birmid Qualcast, Common Cross, Concentric, David Dixon, R. Green Properties, Herman Smith, London Entertainments, Menzies Investment, Moss Engineering, Muar River Rubber, National Bank of Australasia, Smith Industries, Tricoville.

FUTURE DATES

Interims:—	
Ash Spinning	Nov. 15
Atkins Bros. (Hosiery)	Dec. 3
Chamberlin and Hill	Nov. 17
Chamberlain Phipps	Nov. 29
Cope Sportswear	Nov. 17
Hambros	Nov. 23
Harrros Inv. Trust	Nov. 17
Mansfield Brewery	Nov. 29
Powell Duffryn	Nov. 25
Selection Trust	Nov. 16
Warners Holidays	Nov. 19
Finals:—	
Barlow Rand	Nov. 12
Bass Charrington	Dec. 2
Berry Trust	Nov. 15
Brockhouse	Nov. 23
Imry Property	Nov. 12
Ransome Hoffmann Pollard	Dec. 5
Serck	Dec. 14
Yorkshire and Lancs. Inv. Trust	Nov. 15

Hartwells up 19% mid-term

DESPITE THE loss of business resulting from the difficulties in the supply of new vehicles, Hartwells Group has managed to lift profits by 19 per cent. to £470,094 in the six months ended August 31, 1976.

Given a better vehicle supply, Mr. F. S. Huggins, chairman, feels that the profit for the second half will be better than the £366,529 achieved in the latter part of the previous year and although interest rates will be higher, he is of the opinion that the year's result will exceed the £761,105 reported for 1975-76.

Mr. Huggins reports that all sections of the business made contributions to profit and the fuel oil distribution operated well during the period and produced a satisfactory profit, with gallonage being at about the same level as the previous year.

The interim dividend is unchanged at 1.005p and an at least maintained total of 3.575p is forecast.

	Six months 1976 £	1975 £
External sales	25,215,570	21,294,392
Trading profit	616,244	576,008
Interest payable	146,150	181,432
Profit	470,094	394,576
Corporation tax	244,449	205,180
Net profit	225,645	189,396
Interim dividend	50,948	49,460

Burndene Investments outlook

A recent labour dispute means that profits will be significantly lower in the caravan manufacturing division in the first half of the current year, says Mr. D. T. C. Caldow, chairman of Burndene Investments, in his annual statement. However, some improvement should be possible in the second half.

Profits of the nylon garment manufacturing division are running at approximately the same level as in 1975-76, in which they were cut by more than a third.

Group pre-tax profit fell from £587,377 to £483,865 in the year ended May 29, 1976, (as reported October 22) and Mr. Caldow attributes this to the erosion of margins due to rising costs. Knitwear manufacture was discontinued during the year as a result of severe competition from cheap imports.

A divisional analysis shows (£000s omitted) turnover of caravans and mobile homes £6,812 (£5,277), hosiery and knitwear £3,122 (£2,773), and profit of caravans and mobile homes £216 (£265), hosiery and knitwear £193 (£303), property £75 (£40), and administration nil (loss £21).

Exports rose during the year from £1.68m. to £2.75m., all to Europe.

Net liquid funds decreased by £828,183 (£82,209).

Meeting, Edinburgh, December 2 at 3.00 p.m.

King & Shaxson

Profit of King and Shaxson, bankers, for the six months ending October 31, 1976, after excluding the large tax free profit carried forward from last year, have been satisfactory, the directors state.

The profits have been earned during a period in which MLR has risen from 10½ to 15 per cent. in three stages.

An interim dividend up from the equivalent of 0.8p to 1p per 20p share is declared absorbing £138,461.40.

The increase is to reduce disparity although it is intended to recommend a total for the year of not less than the maximum allowed—for 1975-76 a total equal to 2.733p was paid from net profits of £621,143.

Lombard Australia

Gross revenue of Lombard Australia increased from £26.38m. to £32.51m. in the year to September 30, 1976.

Reflecting sharply increased interest charges the pre-tax figure is down from £1.98m. to £1.85m. The company is a subsidiary of Lombard North Central, the instalment credit company of National Westminster Bank.

	1975-76 £000	1974-75 £000
Gross revenue	32,509	26,382
Interest charges	20,010	16,865
Depreciation	473	259
Pre-tax profit	1,852	1,982
Taxation	877	1,049
Minorities loss	120	249
Operating profit*	1,095	1,183
Operating loss†	1,374	‡1,431

* Before extraordinary items. † After extraordinary items. ‡ Profit.

BIDS AND DEALS

Graff Diamonds minority offer

A bid of 28p a share in cash is being launched for the 28 per cent. minority interest in Graff Diamonds, 72 per cent. of whose shares are owned by the chairman, Mr. Laurence Graff, his wife and their private company Sandstar. The offer is being made by Sandstar.

This price is little more than half that at which the shares were floated through an offer for sale by Hambros Bank in 1973. The sale price then was 57p, but the present equivalent is a few pence less (though over 50p) because of certain later scrip issues.

The Graff price has been falling for most of the time since the flotation and last night closed 3p up at 27p after news of the offer, which is recommended by the directors other than Mr. and Mrs. Graff and by Hambros as the company's advisers.

It was also announced yesterday that the company's pre-tax profits in the year to June 30, 1976 were £478,000, compared with £482,00 in the previous year, *from sales of £2.7m., against £2.3m.*

Explaining the offer, which will make the company again family-owned, the Board said the business had been changing emphasis towards dealing in high value jewellery for an increasing international clientele. In order to compete in this top international jewellery field, it was necessary to carry much higher stocks.

"Whilst this policy is acceptable to private shareholders of a close company, it is not necessarily in the immediate interests of the public or institutional shareholders. *It is against this background that Mr. Graff has decided to make the offer."*

Institutional holders which own 40 per cent of the minority being bid for have said they intend to accept.

A special interim dividend of 2.31p a share, the maximum allowed under Treasury rules, is to be declared when the offer becomes unconditional and existing holders will be entitled to receive this.

See Lex

CRANE'S SCREW SAYS 'WAIT'

In a letter to shareholders of Crane's Screw (Holdings) the chairman, refers to the various announcements concerning offers for the company made during the past two weeks and advises holders to take no action at this stage.

He will write to holders again following the receipt of the formal document in respect of the offer from Armstrong Equipment.

ELECTRA HOUSE TRUST MERGER

A merger has been agreed in *principle by two investment* trusts in the Electra House group, Telephone and General Trust and Temple Bar Investment Trust. The two trusts' collective assets are approximately £25m. according to recent estimates, and the current market price discounts are both in the region of 40 per cent. The scheme of arrangement will be based on the accounts at December 31, 1976, and full details will be sent to shareholders as soon as possible after that date.

In order to facilitate the merger, Telephone and General has disposed of its entire holdings of £452,875 Temple Bar ordinary stock (30.28 per cent.) and its holding of £131,080 of that company's 6 per cent. Preference stock (34.07 per cent.). These holdings have been placed with institutional and other investors. In addition Temple Bar has disposed of its £20,000 Telephone Trust 7 per cent. Preference stock, thus eliminating all cross holdings between the two companies.

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CENTURY OILS

The chairman of Century Oils, Mr. C. H. Mitchell, has written to shareholders reiterating the Board's view that the recent offer from British Petroleum is unacceptable and that no action should be taken. More detailed reasons for the Board's rejection of the offer—50p cash for each Ordinary and 60p for each Preference share—will be sent out later.

BARROW HEPBURN FRENCH TALKS

Talks are taking place which may lead to Barrow Hepburn's *French subsidiary Le Tanneur-*Tanneries due Bugey taking a holding in Société Nouvelle D'Exploitation Des Tanneries Françaises Réunies.

Speculation pushes up Herbert Morris price

Speculation that a rival bidder could emerge for Loughborough crane manufacturers Herbert Morris saw the Morris share price up to 135p at one stage yesterday before it closed 9p higher on the day at 132p. This compares with the 120p per share cash offer from Babcock and Wilcox, which is now subject to an inquiry by the Monopolies Commission.

However, both Babcock and Morris said yesterday that no serious approaches had been made. Clarke Chapman, whose name has featured most frequently in the speculation, stated that they were "not in the market at this stage."

Any bid rival to that of Babcock, which holds 39 per cent. of the Morris equity, would automatically be referred to the Monopolies Commission.

The Monopolies Commission has been asked to report within the relatively short period of three months. It is understood that both the management of Morris and the unions representing the employees, all of whom have been *violently opposed* to the Babcock bid, have given an undertaking that they will accept the findings of the Commission's report.

If the current bid, which has lapsed in the meantime, is given clearance Babcock will be bound to go ahead with its 120p per share offer under the rules of the City Code on Takeovers and Mergers.

Babcock is to attend a hearing at the Monopolies Commission on November 19.

BIBBY EXTENDS CLYDE PAPER OFFER

The offer on behalf of J. Bibby and Sons for the capital in Clyde Paper Company, have been accepted in respect of 2,908,670 Ordinary stock units, representing 87.93 per cent. of those in issue; and 192,247 Preference shares—80.10 per cent. The offers are to be extended until November 24.

MATHER & PLATT

The cash offers by Wormald, a wholly-owned subsidiary of Wormald International of Australia, to acquire the capital of Mather and Platt have been accepted by holders of over 91 per cent. of the Ordinary and over 82 per cent. of the Preference shares.

Both offers are now unconditional and remain open. Wormald intends to acquire compulsorily any outstanding shares.

ALLIED MANUFG.

Allied Manufacturing and Trading Industries announces that it's subsidiary, W. D. and H. O. Wills (Australia) has purchased Fred Paul (Bondi Junction) Pty., a company incorporated in N.S.W. and engaged in the retail meat trade.

This acquisition represents less than 3 per cent. of the consolidated assets.

FRUEHAUF STILL UNDECIDED

The U.S. trailer and container manufacturer Fruehauf Corporation has still to decide whether or not to withdraw from the battle for control of Crane Fruehauf following the reference to the Monopolies Commission.

However, a statement last night insisted that "Fruehauf is confident that any objective review of the circumstances would conclude that the proposed acquisition of Crane was in the U.K. public interest and that the circular from the U.K. directors of Crane dated November 4 contained misleading statements and unsupported assertions particularly in relations to Fruehauf's motives in acquiring full control of Crane and Crane's prospects as a wholly-owned subsidiary of Fruehauf."

Fruehauf is discussing its position with its London financial advisers, Hill Samuel, because if it withdraws completely it would not be able to bid again or acquire more Crane shares for at least 12 months even if the Monopolies Commission gave the go-ahead.

WOOD BASTOW

Wood Bastow has reached the final stages of negotiations for the acquisition of Andrew Baron, a private company which manufactures ladies' coats, skirts, slacks and childrenswear and whose production goes almost entirely to Marks and Spencer. No details of the purchase price are being released at present.

Andrew Baron, which has an annual turnover of £2m., employs 500 people. The attraction of the *group to Wood Bastow is the* extra capacity provided by the acquisition and the Marks and Spencer connection. It is intended to expand the operations once the bid has been finalised.

MINING NEWS

Federal ban at Fraser Island

BY KENNETH MARSTON, MINING EDITOR

THE AUSTRALIAN Government has decided to ban sand-mining for rutile and zircon on Fraser Island, off the south Queensland coast, in line with the recommendations of the environmental inquiry which was reported here last month. Our Canberra correspondent says that the Government will refuse export licences for any minerals mined on the Island after December 31, apart *from one small area.*

The Queensland Premier, Mr. Johannes Bjelke-Petersen, has described the Federal Government's decision as being an irresponsible appeasement of Sydney and Melbourne conservationists. Mr. Paul Phillips, executive director of the Australian Mining Industry Council, has said that the decision will damage Australia's reputation as a stable supplier of minerals.

He has pointed out that mining companies which had negotiated export contracts in good faith and with Government approval now found that their operations were to be cut off in mid-stream. The Government announcement has contained no reference to compensation for the mining companies and the matter is thought likely to become one for protracted negotiation or litigation.

It will not have gone unobserved that Fraser Island mineral sand mining operations bring only a limited financial benefit to Australia. After their previous boom, markets for the minerals have weakened and, as reported here yesterday, Australia is to continue her export control arrangements for zircon in 1977 and is reducing the minimum permitted export prices for the material.

Secondly, the two companies affected are overseas-controlled. DM Minerals, which has spent $A10m. (£7.5m.) on its project, is controlled by the U.S. Dillingham Corporation in partnership with Australia's Murphyores while the other operator, Queensland Titanium, is jointly-owned by America's Titanium Alloy Manufacturing and Titanium Metals Corporation.

Freeport moves into uranium

THE AMERICAN group, Freeport Minerals, is planning to enter international uranium markets in the second half of 1978 with an annual capacity of 690,000 lbs. of uranium oxide. Final design and engineering work is being completed on a $32m. (£19.6m.) *project to extract the material as* a by-product of phosphoric acid production at the Uncle Sam mine in Louisiana.

The plans are disclosed in the group's third quarter report to stockholders. This shows that net income in the three months to the end of September at $11.9m. (£7.3m.), or 77 cents a share, was lower than for the same period of 1975 when earnings were $13.48m., or 87 cents a share. But after nine months Freeport is still slightly ahead of last year with net profits of $42.1m., or $2.72 a share, against $41m., or $2.65 a share.

Freeport puts the fall in quarterly earnings down to a 15 per cent. drop in profits from its sulphur, phosphoric acid and potash operations. Export markets for sulphur have been weak, and in July and August potash prices eased. But a potash price rise came into effect on September, improving Freeport's revenue per ton by about 20 per cent.

Another factor in the fall was the decline in Indonesian copper operations to break-even levels. Copper concentrate production at 58,000 tons was 3,000 tons higher than in the 1975 third-quarter, but prices moved lower.

However, in the longer term, Freeport is mounting a $10m. two-year exploration programme adjacent to its big open-pit Ertsberg mine. Work done so far indicates that underground reserves could double the size of Ertsberg deposit, which was last estimated to contain 33m. tons of ore grading 2.5 per cent. copper and 40.6 per cent. iron.

In Australia, Freeport's joint venture with Metals Exploration at the Greenvale nickel-cobalt mine is taking an operating profit, even though in the third-quarter nickel oxide production was only about 86 per cent. of capacity. There will be a9 per cents nickel price rise effective in January, but scarcely enough to cover cost inflation.

LONRHO'S COAL DEAL OPPOSED

Dissident minority shareholders in Tweefontein and Witbank Consolidated opposing their merger with Duiker argued their case in six hours of meetings in Johannesburg yesterday. The merger is a Lonrho plan to bring together its South African coal interests, reports our Johannesburg correspondent.

The bulk of the shareholders' questions were ruled *sub judice* by the chairman of the meetings as the minority interests have sought a court order restraining Lonrho from voting its shares. The hearing will be on November 24

At the Witbank meeting outside shareholders voted 3-1 against the Lonrho proposals, but *the vote was academic without* the court application, because the Lonrho proposals require acceptance by 51 per cent. of the shares and Lonrho has more than 50 per cent.

Swiss banker sees a steady gold rise

THE SENIOR vice-president of Swiss Bank Corporation, Mr. Herbert Kaufmann, said in Johannesburg yesterday that the gold price is now in a consolidation period which might last "until a few other International Monetary Fund sales belong to history." Thereafter he said the price would start to rise slowly attracting the interest of hoarders and investors which would in turn accentuate the upward trend. In London, the bullion price advanced $5¼ to $136¼ per ounce, its highest for 10 months.

Our Johannesburg correspondent reports that Mr. Kaufmann *said indications were that world* offtake this year would be as high as 1,200 tons closely matching available supplies from new production and sales by the IMF. Discussing the arrangements made to reduce the monetary role of gold at recent international conferences Mr. Kaufmann said that in his view they would achieve exactly the opposite objective — they would enhance it. He suggested that gold would continue to play a meaningful role in a world that would never believe the metal could be altogether banished from monetary arrangements.

On Soviet sales, Mr. Kaufmann forecast that Russia would expand output regardless of production costs but he thought that even if annual Russian sales amounted to as much as 350 tons of gold the market would not be disrupted. He said that the Russians had not been a significant bearish element in this year's gold market. His conclusion was that the downtrend had come to a standstill and that "the present situation in the gold market can even signal the beginning of a real turnaround."

HAMPTON AREAS DOES BETTER

The U.K.-registered Hampton Areas, which derives the bulk of its revenue from Western Mining's nickel operation in Western Australia reports a dramatic recovery in attributable earnings for the six months to September this year to £192,000 against £3,000 for the same period in 1975.

The main reasons for the recovery in earnings were the 27.7 per cent. increase in royalty payments from Western Mining to $A469,495 (£354,442) from $A367,667 for the corresponding period last year coupled with an exchange gain resulting from the depreciation of sterling against the Australian dollar and a £34,000 profit on the sale of investments. Hampton Areas rose 5 to 80p yesterday.

WANKIE HAS TO EXPORT MORE

In his annual review of the Anglo American Corporation group's Rhodesian Wankie Colliery, Sir Keith Acutt emphasises the importance of expanding the big coal producer's export business. More than half the increased trading profit of $Rh.3.36m. (£3.3m.) for the past year to August 31 came from export sales which are particularly dependent on the availability of railway trucks.

Sir Keith fears that the recent coal sales agreement with the Rhodesian Government, which provides for an annual fixed return on the capital employed, could as a result of inflation inhibit the injection of the large amount of capital that is required by Wankie. For this and other reasons, "the retention of profits should at least be sufficient to allow present scale operations to continue efficiently." Wankie were 40p yesterday.

NEW JAPAN DEAL FOR HAMERSLEY

The West Australian iron ore producer, Hamersley, which is part of the Rio Tinto-Zinc group, has concluded another agreement with Japanese steel interests which will increase its revenue from 1978 onwards. In September Hamersley agreed to sell an extra 6m. tons of iron ore to Japan from 1979 and boost its capacity to 46m. tons of saleable ore a year.

The new contract is independent of this expansion and covers sales to Kobe Steel alone. From *1978 until 1990 Hamersley will* provide Kobe with 1.45m. tons of high grade ore a year. An existing contract to supply a slightly larger amount of low grade ore runs out *in* 1978.

The extension of the relationship adjusted to cover the conversion to high grade ore, guarantees Hamersley a greater U.S. dollar income. Iron ore contracts are denominated in U.S. rather than Australian dollars.

The Kobe contract, coupled with the September expansion announcement, consolidate Hamersley's position as a prime *iron ore supplier to the Japanese* steel industry at a time when the Japanese have been cautious about entering into new commitments with the Australian industry. Hamersley were unchanged at 225p yesterday, while RTZ hardened 1p to 153p.

MINING BRIEFS

GEEVOR TIN—October: 9,677 tonnes treated produced 90 tonnes Black Tin (65 per cent. Sn.) including 8 tonnes low grade concentrates (September 80 tonnes).

KENT (FMS)—Tin output for October: 9 tonnes (September 23½ tonnes).

KINTA KELLAS—Tin output for October: 57½ tonnes (September 60¼ tonnes).

ASSOCIATED MINERALS CONSOLIDATED—Production statistics for the 13 weeks ended September 29, 1976 (figures in tonnes): rutile 28,345 (previous quarter 21,181); zircon 19,169 (17,073); ilmenite 2,887 (2,254); monazite nil (nil).

FALCON MINES—September quarter: milled 58,500 tonnes (previous quarter 58,700 tonnes). Working profit $360,342 ($333,294). capital expenditure $51,611 ($162,848).

BISICHI-JANTAR (NIGERIA)—September: Tin output, 31.10 tonnes, Columbite, 23.02 tonnes. Nine months to date 295.86 tonnes and 342.33 tonnes. Same period last year 421.3 and 282.3 tonnes.

EX-LANDS NIGERIA—October tin output 46 tonnes (September 40 tonnes).

SAINT PIRAN—Production of tin concentrate for October: U.K., tonnes treated, 20,179 produced 158 tonnes (79 per cent. tin metal). Malaysia, 22 tonnes.

EZ Industries—

	4 weeks ended 20 Oct. tonnes	22 Sept. tonnes
Risdon Works		
Zinc	15,149	14,868
West Coast Mines		
Ore treated	48,087	40,427
Lead concentrate produced	1,079	693
Zinc concentrate produced	9,148	8,479
Copper concentrate prod.	2,413	2,380

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Net Dividend	Times covered	Gross Yield	P/E Ratio
‡‡	F.P.	—	210¼	180	Amcon Maritime Inc.(8)	210	+10	Q84c	—	1.6	—
‡‡	F.P.	—	223	221¼	Barry Pacific Fd. (25p)	[illegible]	—	40c	—	0.4	—
80p	F.P.	17/9	70	56	Borthwick (Thos) 50p	59	—	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	—	[illegible]	[illegible]	Dentsply Int. Inc. ($1)	[illegible]	—	[illegible]	—	3.2	—
‡‡	F.P.	—	[illegible]	[illegible]	Emhart $US1	[illegible]	−¼	Q$1.56	—	5.2	—
‡‡	F.P.	—	140	96	Tokos S.A. 11	[illegible]	—	—	—	—	—
‡‡	F.P.	—	[illegible]	[illegible]	Utd. Technologies US$5	[illegible]	−¼	Q$1.28	—	2.6	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
£98.56	F.P.	29/10	97½	97	Eastbourne Waterworks 9% Red. Pref. '81	97½	[illegible]
US$98	F.P.	—	$100	$98½	Gotaverken 9¼% Notes 1983	$100	[illegible]
US$100	F.P.	—	$99	$98	Ind. Fund of Finland 9% Guar. Notes '86	[illegible]	[illegible]
US$100	F.P.	—	$100	$99	Kockums Mek 9% Guar. Notes 1983	$99	[illegible]
KD$99	F.P.	—	[illegible]	[illegible]	Korea Development Bk 9¾% Guar. Bonds 1979	[illegible]	[illegible]
££94½	F.P.	—	93	93	Mid-Sussex Water 8% Red. Pref. 1981	93	[illegible]
£97	F.P.	26/10	98¼	97	Mid-Sussex Water 11¼% Red. Deb. 1982	98¼	[illegible]
[illegible]	Nil	—	46	45	Newman Inds. 10% Conv. Pref.	45	[illegible]
[illegible]	[illegible]	28/1	107	98¾	Tate & Lyle 12% 1996/99	107	+½
£94½	F.P.	—	101½	101	Tendring Hundred W'wks 9% Red. Pf. 1981	101½	[illegible]
‡£24.18	Nil	—	1	1	Tr's-Nat Coal Cp-Dc-15½Pty.Cv.UnDb1987/91	[illegible]	[illegible]
£99	F.P.	19/11	99⅛	96	York Water 12% Red. Deb. 1984	96	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or −
115	F.P.	15/10	12/11	126	112	Black & Edgington	119	[illegible]
10	F.P.	27/9	12/11	11	8	Bones Webb	8½	[illegible]
$A4	Nil	—	3/12	300	265	Broken Hill Props.	265	[illegible]
60	F.P.	22/10	12/11	60	51	Brown (Matthew)	58	[illegible]
R1.46	Nil	—	12/11	25pm	Nil	Deelkraal Gold	5¼	[illegible]
25	F.P.	22/10	12/11	31	25	Fairbairn Lawson	28½	+½
124	F.P.	1/11	17/12	127	119	General Accident	122	−2
100	F.P.	29/10	10/12	120	101	Howden (Alexander)	120	+20
40	F.P.	22/10	12/11	57	47	Lonrho	56	+1
$A1.70	Nil	5/12	17/12	63	42	National Bank of Australasia	50pm	+4
25	F.P.	1/10	5/11	30	22	P.M.A.	24	[illegible]
20	F.P.	8/10	12/11	36½	25	Shakespear (J.)	35	[illegible]
150c	Nil	—	—	[illegible]	[illegible]	Trans-Natal Coal	1¼pm	[illegible]
$A1.20	F.P.	16/6	—	141	93	Western Mining	98	[illegible]
70c	F.P.	—	—	96	47	Woodside-Burmah	73	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. † Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ** Issued by way of capitalisation. †† Minimum tender price. ‡‡ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. ★ With warrants. ◆ After suspension. KD Kuwait Dinars.

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INTL. FINANCIAL AND COMPANY NEWS

PROBLEMS AT PLAYBOY

Job for a new man

BY MAURICE IRVINE IN LOS ANGELES

HAVING CALLED in a specialist to help him perform some radical surgery on the body corporate, Mr. Hugh Hefner is hopeful that better times lie ahead for his Playboy empire. Founding father Hefner—now 50—has never before relinquished an iota of control in a 23-year reign over Playboy Enterprises Incorporated, and he still remains chief executive and 73 per cent. owner of the company.

But the recent appointment of Mr. Derick January Daniels as president of Playboy Incorporated at a salary of $250,000 marks the start of a new era for PEI and its string of money-losing hotels, key clubs and other entertainment operations. Insiders believe that Hefner, who now runs the Chicago-based company almost entirely by remote control from his Los Angeles "mansion" has chosen Daniels as an heir-apparent who will be prepared to take over as chief executive officer should "Hef" himself decide later to step down.

Mooted

That possibility has been mooted in the publishing world, as circulation continued to slide for the company's flagship, *Playboy* magazine. But *Mr. Hefner says*: "*There's no truth* to reports that, I'm as you might say, abdicating. We've identified our problems, and Mr. Daniels will help us to deal with them."

Daniels, 47, who rose through the journalistic ranks the hard way to become chief of Knight News Service Incorporated, a major U.S. news agency, was lured with difficulty from his post in the Knight-Ridder newspaper chain. "Hef sent his headhunters," says Daniels. "I kept telling them, 'No, no.'" When Hefner offered twice the salary being paid by Knight-Ridder, however, he succumbed.

"I am a winner," he says. "I'm not used to losing, and I have no intention of starting now."

Playboy Inc. certainly needs a winning streak. Its profits have dwindled from a record $11.3m. three years ago to $1m. in 1975, on sales of $198m. The Playboy name and rabbit-head symbol were quietly removed this year from the company's hotels in Chicago and New Jersey. "They were detrimental to business," a PEI vice-president confessed.

Over five years, PEI lost $14.4m. in the hotel business, $6.2m. trying to make movies, $5.8m. in the recording business. Several of its "key clubs" were closed down, and when Hefner in 1975 sought a bank loan of around $15m. to buy back shares owned by the public, he was refused.

The magazine and the highly *profitable English casinos* were all that kept the company afloat. Despite a circulation slump from a monthly seven million in 1972 to five-and-half million to-day, *Playboy* still leads in its field. And a pre-tax profit of $3.2m. from the casinos in U.K. prevented the key club operation from going into the red last year. So far this year, there has been only a slight improvement: PEI shares, which sank from their high of 25½ in 1972 (when the company went public) to a low of 2¼ last year, now stand at around four.

On top of all this, Internal Revenue Service agents are auditing tax deductions taken by Playboy on maintaining Mr. Hefner's 30-room Los Angeles home, his Chicago headquarters, and the private DC9 jet in which he travelled the globe. Spending on these items since 1970 has exceeded $15m. Hefner has since sold his black-painted "Bunny" aircraft and reduced his staff and overhead on the mansions by 20 per cent. At the least, says a PEI executive, there will be several years of litigation with the IRS over this question: "They're taking a very aggressive stance."

Who is to blame for PEI's misadventures? Mr. Hefner used to blame the recession, while the numerous executives he had "let go" blamed him. He was hard to reach, plunged into mistaken ventures over expert advice, refused to delegate authority, fired anyone who challenged his latest enthusiasm.

There is little doubt that many Hefner ventures were ill-advised. The 674-room hotel at Great Gorge, New Jersey, built in the wrong place at the wrong time for $33.5m., has since lost $6m. and is now up for sale, like its PEI fellows. But the magazine is a victim of its own success: it produced so many imitators and competitors (some 35 at the last count) that its own sensationalism was defused. Racier rivals gained ground in the so-called "pubic wars" to exploit the female anatomy, and the closest competitor, *Penthouse*, doubled its circulation to 4.2m.

Now Mr. Daniels promises that Playboy will eschew the low road, and take instead "a high-class route." Let prurient *competitors* take "undesirable readers" with them into the gutter: "We will not follow." If this sounds preposterously haughty, it's worth remembering to what depths of crude lickerishness rivals like *Hustler* have fallen in recent months.

Not that *Playboy* is abandoning sex: "It will include sexuality as an integral part of human life, a part denied to many people until Hugh Hefner told them what it was to be a healthy sexual being. Mr. Hefner doesn't want to be viewed as a smut-publisher, so we're opting out of pubic warfare." In other words, nudes *si*, kinky sex, *no*.

Under Daniels, *Playboy* will continue to be "an implement for social change," with many more features like the interview President-elect Jimmy Carter ("I've looked on a lot of women with lust") to make front-page news. Another crucial task for Daniels will be determining which among PEI's unprofitable assets to phase out, or sell.

The new president says he has an excellent rapport with Hefner ("terrific flair and imagination—I really like the guy"), and expects to be commuting regularly between the Chicago HQ and his boss's "lotus pad" in the exclusive Holmby Hills district of Los Angeles.

Can Daniels help turn PEI around? He has, certainly, an impressive record. From a well-known Eastern political family—his grandfather was Woodrow Wilson's Navy Secretary, an uncle served Roosevelt as chief Press aide—he started life as copy reader-cum-reporter for various small newspapers, became city editor of the Detroit Free Press and helped that paper win *the Pulitzer Prize for coverage of* the great 1967 riots. His rise in 32-newspaper Knight-Ridder chain was speedy but sure, earning him a reputation as one of the best young editors around.

Optimism

He is, naturally, optimistic about PEI, predicting "a strong comeback very soon," and pointing to the recent profits of Playboy Clubs International as a sign of the way things will go. With a five-member committee assembled by Hefner, Daniels says he will be examining each PEI division in turn "to work out the best direction for it."

On only the second day of the new job he took a step which may, in the swinging bachelor world of Playboy, be significant. He married. "No," he says, "I doubt that I'll be living the glamorous life-style conjured up by the word *Playboy*. I have work to do."

Foreign investors retreat from Tokyo

By Douglas Ramsey

TOKYO, Nov. 10.

FOREIGN INVESTORS are moving fast out of the Tokyo equities market under the combined weight of profit-taking, a stalled domestic recovery and bear markets on other world bourses.

Sources here say that non-resident investors in Japanese stocks, shares and bonds sold $110m.-worth more than they bought in October, or about equal to the net outflow of foreign funds from Japanese equities in the six months to September. The Ministry of Finance will shortly release the official estimate, but the $110m. figure already goes a long way to explaining the surprising weakness of the Yen last month (as investors *rushed to convert Yen shares* into dollars).

The October outflow was the third in successive months, as monitored by the Ministry of Finance, on the basis of the accounts of 11 integrated securities companies. In fact, since August foreign purchases of Japanese equities remained constant at around $160m. per month, but were offset by rising sales ($270m. in October).

Between January and August, then, foreigners took out $140m. more than they brought into the market, a drastic switch from the $500m. net inflow of foreign equity investment during the same period in 1975.

Dealers attribute the flood of foreign sales orders to various circumstances, not least of all the simultaneous retreat of all *investors on the New York*, London and other stock markets. Nearer to home, Japan's growth this year was carried on the backs of exporters. Now, with domestic recovery in a rut and threat of retaliatory measures against Japanese exports overseas, Japanese companies may be in for a hard five months until the end of fiscal 1976.

EUROBONDS

Fairchild Camera raises $20m.

BY TONY HAWKINS

FAIRCHILD CAMERA and Instrument Corporation of California is to raise $20m. in the Eurobond market with the issue of 15-year convertible guaranteed debentures. The issue, which is only the second convertible offer in this market by a U.S. corporation since 1973, will be carried out by its wholly-owned offshore finance subsidiary, FCI International Finance NV.

The debentures will be convertible on or after August 1, 1977, into Fairchild Ordinary shares which are listed on the New York Stock Exchange.

The issue will be priced next week, but the lead managers, Salomon Brothers International, is indicating a coupon of between 5½ per cent. and 5¾ per cent. with an issue price of par.

The conversion premium indicated is between 10 and 15 per cent. above the closing price of the Ordinary stock on the New York Exchange immediately prior to the offering. FCI is one of the leading international groups in the micro-electronics industry. Third-quarter figures published last week by FCI show that earnings were 56 per cent. higher in the third quarter of 1976 than in the comparable period last year, while sales showed a substantial improvement despite the summer slowdown in the U.S. economy and in the rate of growth within the semiconductor industry.

The management group for the FCI issue is Salomon Brothers International, Kidder, Peabody International, Hambros Bank and Swiss Bank Corporation (Overseas).

Immediate market reaction to *this issue has been very favourable* and in the market it is expected to go well. It is accepted that there are negative factors at work in the market at the present time, but these are generalised rather than specific to any particular issue. This week, secondary market prices have drifted lower in thin turnover with evidence of professional selling, selling by banks looking ahead at the possibility of higher U.S. inflation and interest rates in 1977 and some reluctance on the part of retail buyers to commit themselves at this stage, other than to new issues, when prices as a whole are slipping.

This does not constitute an exactly encouraging climate for the $75m. issue by the South of Scotland Electricity Board, final *details of which are expected* to be announced in the next 48 hours.

In the secondary market prices fell back again yesterday, particularly in the morning. Overall the market was ¼ to ½ easier with some of the newer paper being singled out for selling. The Canadian National Railway stock which had started this week above par was being quoted 99½-100, the Australias were ¼ easier and issues such as Quebec Hydro were also being sold down.

BOND TRADE INDEX

	Wednesday	Tuesday
Medium	101.61	101.6
Long	93.25	93.2
Convertible	104.47	104.5

Merrill Lynch builds up foreign business

BY JOHN WICKS

ZURICH, Nov. 10.

OVER THE coming years, the financial services concern, Merrill Lynch, is planning a substantial expansion of its *international* activities. The group's primary aim is to provide a wide range of single-source facilities and meet new market requirements as and where they are determined.

According to Milan Kerno, the executive vice-president responsible for international capital market business, London plays a key role in these plans. Merrill Lynch, which he says considers London the best centre for this purpose, last year concentrated its banking, investment banking and secondary market trading *operations in the city*.

The Paris office, from which international syndicate operations were transferred to London, continues to expand its business, however, while the Geneva base—formerly the headquarters of Merrill Lynch *International's president*—controls brokerage, commodities and other "retail" business in Europe.

Mr. Kerno, who moved to London two months ago, contends that the days of the old-style specialist investment bank *are numbered*, in New York and elsewhere. Merrill Lynch sees itself as possessing both the necessary fund-raising and distribution power to become one of the universal finance undertakings of the future. Among these vehicles are the banking and investment banking operations—with its Merrill Lynch International Bank, the group is the only U.S. securities firm with a London-based merchant bank of its own—and a distribution network of over 300 offices in the United States and some 30 abroad.

Particular opportunities are anticipated in foreign issues on the U.S. market. After the large number of successful Japanese offerings in America Merrill Lynch now thinks there could be a similar trend on the part of European borrowers. The group has been something of a pioneer in this field, having managed or co-managed some 4½ per cent. of all foreign bond issues in the U.S. in the first half of this year.

The company, already one of the Euro-market leaders and a participant in syndicated bank loans through its London merchant bank, expects a "greatly increased" number of foreign loans in the United States in future. Merrill Lynch has made a lot of headway in the past year and a-half with "educating" issuers, regulatory agencies and investors and is now keen to carry out a similar process in Europe.

Another trend pinpointed by the company is the growing interest in Europe in U.S. property, especially farmlands. Merrill Lynch has been quite active in representing buyers and in explaining and presenting opportunities.

On the whole, staff outside the U.S. is expected to increase over the next few years, while Merrill *Lynch's* main non-American presence will be in London, then Paris, Tokyo and Hong Kong. New areas of operation are under constant review—offshore banking is, for instance, being explored—although there are no immediate plans here.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1986	104½	105½
Amoco 8¾pc 1980	103½	104½
Aquitaine 10pc 1985	104	105
Australia — Commonwealth 8¾pc 1983	101¾	102
Australian Shipping Comm. 8¾ 1983	100¾	101½
Austria 8½pc 1990	98	99
Bank of Tokyo 8¾pc 1981	102	103
B.F.C.E. 8¾pc 1983	100½	101½
Barclays 9½pc 1982	103	104
Bell Canada 8¾pc 1986	103	104
British Gas 9pc 1981	100	101
B.H.P. 9½pc 1981	104	105
C.E.C.A. 8¾pc 1981	102	103
Commercial Union 8½pc '86	89	91
Consolidated Foods 7¾pc '91	94	95
Denmark Mortgage Bank 9pc 1983	101½	102½
Dupont 7¾pc 1978	102	103
Dutch State Mines 8¾pc '88	98½	99½
Edinburgh 9pc 1981	99	100
Escom 10¼pc 1983	95	97
Esso 8pc 1986	102	103
E.E.C. 7¾pc 1979	99½	100
E.E.C. 8¾pc 1982	100½	101
E.I.B. 8¾pc 1983	98½	99½
Granges 9½pc 1980	102	103
Hambros 9½pc 1985	100	102
Hammersley 10pc 1982	103½	104½
I.S.E. 9pc 1982	102½	103½
Massey 9¾pc 1981	104	105
McDonald Douglas 8¾pc '81	103½	104½
Michelin 8¾pc 1983	99½	100½
New Zealand 9¾pc 1988	102½	103½
Nippon Steel 9¾pc 1980	103	104
Norway 8¾pc 1981	103	104
Occidental 9¾pc 1981	102	103
Ontario Hydro 9¾pc 1986	99	100
Quebec—Province 8¾pc '81	103	104
Sandvik 9½pc 1986	101½	102½
Scanraff 8¾pc 1988	101	102
Scott Paper 8¾pc 1986	103	104
Toyo Menka 9¾pc 1981	101	102
Transocean Gulf Oil 7¾pc 1987	98½	99½
Union Oil 7pc 1979	100½	101½
Volvo 9¾pc 1985	103	104
Bk. of Tokyo 8pc 1982 FRN	102½	103
Midland Bk. 7¾pc 1983 FRN	100¾	101¾
DM Beecham 8pc 1983	101½	102½
DM Montreal 8½pc 1986	102½	103½
DM World Bank 8pc 1982	103½	104½

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	81	83
Ashland 5pc 1988	82½	84½
Beatrice Foods 4¼pc 1992	98	100
Beatrice Foods 4½pc 1992	110½	113½
Borden 5pc 1992	98	100
Broadway Hale 4½pc 1987	78	108
Canon Camera 7pc 1989	166	168
Carnation 4pc 1987	81½	83½
Chevron 5pc 1988	107	109
Dart 4¾pc 1987	84	86
Eastman Kodak 4½pc 1988	103	105
Economic Labs 4½pc 1987	77½	78½
Fed. Dept. Stores 4¾pc '85	115	117
Firestone 5pc 1988	87	89
Ford 6pc 1986	95½	97½
Ford 5pc 1988	86	88
General Electric 4¼pc 1987	82½	84½
Gillette 4¾pc 1987	74½	76½
Gould 5pc 1987	96½	100½
Gulf and Western 5pc 1988	89	91
Harris 5pc 1992	93	95
Honeywell 6pc 1986	82½	84½
ITT 4½pc 1987	78	80
Komatsu 7½pc 1990	102	103½
J. Ray McDermott 4¾pc '87	141	143
Mitsubishi Elec. 7¾pc 1991	103	104½
Mitsui 7¾pc 1990	102	103½
J. P. Morgan 4¾pc 1987	108½	110½
Nabisco 5¾pc 1988	93½	95½
Owens Illinois 4¾pc 1987	107	109
J. C. Penney 4½pc 1987	84½	86½
Pioneer 6¾pc 1989	240	—
Raymond 8¾pc 1983	104½	105½
Revlon 4¾pc 1987	107½	109½
Reynolds Metals 5pc 1988	86	88
Sperry Rand 4¾pc 1987	94½	96½
Squibb 4¾pc 1987	78	80
Texaco 4¾pc 1988	78½	80½
Toshiba 6¾pc 1990	104	105½
Union Carbide 4¾pc 1982	103½	105½
Warner Lambert 4¾pc 1987	82	85
Warner Lambert 4¾pc 1988	78	80
Xerox 5pc 1988	76½	78½

Source: Kidder, Peabody Securities.

Singapore Eidai closes

By Our Own Correspondent

SINGAPORE, Nov. 10.

THE SINGAPORE Eidai Corporation, a subsidiary of the Eidai Company of Japan, has decided to close down following substantial losses.

The company, which manufactures plywood, veneer and other wood products, has incurred a trading loss of S$10.17m. for the year ending June, 1976. In 1975 the loss suffered was S$16.19m.

Accumulated losses as at end-June this year stood at S$28.3m., thus wiping out total shareholders funds of S$11.9m. and leaving a deficit of S$16.39m.

In his annual report just released, the chairman, Mr. Teruo Fukao blamed the losses on the "unprecedented" worldwide slump in the demand for plywood and competition from plywood producers of other developing countries.

He disclosed that production at the company's factory in the Jurong industrial estate had ceased and that the company was now considering various alternatives in disposing of its plant and machinery.

Eidai's decision to close down its Singapore operation is in line with the plans announced by the Japanese group in April this year to pull out of Singapore and the U.S. as part of its efforts to cut group losses.

Late last year Eidai of Japan embarked on a three-year programme to reconstruct its business with the aid of five major Japanese banks.

هكذا من الأصل

...merican Motors ...sses continue

...EWART FLEMING NEW YORK, Nov. 10.

...AN MOTORS, the ...rgest U.S. car manufac... known best for its ... and "Jeep" models, ...ported a fourth quarter ... $51m. The company ...s been under increasing ... pressure this year be... the slump in sales of ...ller cars in which it ...es, claimed, however, ...m. of the loss reflected ...rring charges.

...e year as a whole, a year ...as seen the big three companies eliminating ...nd Ford and General ... more than doubling ... some quarters, Ameri...tors has suffered in... losses.

...es for the year of $2.3bn. ...pany has suffered a loss ... Last year's comparable ...ere sales of $2.3bn. and ... $27.5m.

...ce of the continuing ... on its markets has come ...nt announcements from ...hrysler and General ...at they are temporarily ... down production for ... days at a number of ...hich produce the smaller cars such as the General "Vega" and the "Aspen."

...can Motors itself has ... announced that it will offer rebates to retired customers of up to $175 on *certain models.*

While unit production for the industry is sharply up this year, American Motors' sales in the U.S. are 20 per cent. down at 254,731 units for passenger cars.

Utility vehicle sales such as "Jeep" sales were 33 per cent. up, however, and the company said that its operations other than passenger cars were profitable.

Commenting on the make up of its losses, American Motors said that $10m. in restructuring automotive operations, $5m. in writing down equity in its Mexican operations owing to the peso devaluation, and $15m. write-off of deferred income taxes, were non-recurring losses.

It also said that the "sharp" decline in passenger car sales during the last half of the year resulted in heavy sales stimulation expenses and costly production shutdowns.

The company added that it has maintained essential corporate liquidity and taken action to reduce fixed costs and achieve a lower breakeven point.

It added that the company should regain momentum in 1977 with a recovery in the small car share of the auto market, which declined in 1976.

...bil Corp bid ... Irvine is ...ne favourite

... CORP is the clear ... in the spirite dbidding ... three companies for ...o. the closely held Cali... and developer, reports ...om Irvine.

... Privett, Attorney for ...ne Foundation, which ...4.5 per cent. interest in ... said the Foundation's ... have determined that, ... the bids so far, Mobil's ... the most favourable ... it is 100 per cent. cash. ... said that the Founda...s notified the other ... Cadillac Fairview Corp, ...ified Toronto real-estate ...r, and SMBH and Z Inc, ...ly owned Detroit invest...m, that their bids for ...e not as favourable as ...il offer.

...ivett said the bidding is ... and "there's the possi...it the other bidders will ... their bids." He said he ...lighted" with the fact ... price for Irvine has ... sharply since May, ... bidding opened. "We ...d it so good," Privett ...

...riday Mobil bid about ...or $32.50 a share, all in ... Irvine. Mobil first bid ...n stock for Irvine last ...

...c Fairview's current ... the form of cash and notes, has a face value of $33.25 per Irvine share, or about $279.8m. The Foundation values the offer at a cash equivalent of about $32 a share, for a total of about $268.8m.

Penn Central loss

PENN CENTRAL Transportation reported that its net loss in the third-quarter totalled $20.6m. reports AP-DJ from Philadelphia. No comparable figures are available for the year-earlier quarter because Penn Central Transportation's rail operations were conveyed to Consolidated Rail Corporation on April 1, 1976.

The third-quarter results do not include income and expenses relating to former rail operations.

For the six months period between April and September 1976 Penn Central Transportation said its net loss was $46.1m. No year-ago figure was given nor was a figure for the first nine months of 1976 because of the transfer of rail assets to Conrail *on April 1.*

Alcoa reduces debt

ALUMINIUM CO. of America has trimmed long-term debt by about $100m. or eight per cent. so far in 1976 and hopes for further reductions by the year-end, **AP-DJ reports from New York.**

Most of the debt reduction to date came in the third quarter and involved early payment of medium-term bank loans Alcoa said in its quarterly report to shareholders.

VONTOBEL EUROBOND INDICES 14.5.76=100%					
...NDEX	9.11.76	2.11.76	AVERAGE YIELD	9.11.76	2.11.76
...ds	102.35	101.70	DM Bonds	7.688	7.793
...ds & Notes	98.06	96.82	HFL-Bonds & Notes	9.102	9.383
...rt. Bonds	101.57	101.62	U.S. $ Strt. Bonds	8.582	8.571

AEG AND SIEMENS

Facing the costs of KWU

BY GUY HAWTIN IN FRANKFURT

BY THE TIME the accountants have finished their sums, AEG-Telefunken's involvement in the nuclear power field will probably have cost the concern DM1.5bn. (£381m.), give or taken DM100m. or so.

A firm final figure cannot yet be computed, as the sale of the concern's 50 per cent. share in Kraftwerk Union—West Germany's largest power station constructor—does not absolve it of the remaining liabilities on contracts it brought into its partnership with Siemens.

AEG can hardly be said to have gained what it wanted from the deal, which has been in the air for at least two years. Siemens drove a hard bargain and AEG had very few cards to play.

Both concerns have given little *away to the Press or public* during the course of the protracted negotiations. However, there was little secret about the fact that AEG was pressing for Siemens, as part of the deal, to take over its remaining liabilities for losses accruing from the contracts brought into the KWU partnership.

Siemens, hardly surprisingly, was unwilling to do so. KWU, which made a 1975 loss of DM44m., is looking forward, if that is the right expression, to jogging along at about or just below break-even point for the rest of this decade. Furthermore, it will need a substantial capital injection to finance an order book which at the end of last year stood at DM19.8bn. (£5.03bn.) and could be as high as DM30bn. (£7.6bn.) if letters of intent are taken into account.

AEG's losses in the nuclear power field were spelt out at to-day's Press conference. Some *DM200m. was lost on a fixed price* contract for a nuclear power station which was not brought into KWU when it was established in 1969.

The concern's involvement in KWU was estimated to-day to have cost about DM500m. On top of this AEG has set aside reserves of some DM800m. (£203m.) to cover losses on the fixed price contracts it brought into KWU. The full extent of the losses is still not known but it is believed that the DM800m. will cover them.

Dr. Walter Cipa, who took over from Dr. Hans Groebe as the concern's chief executive this year, to-day said that continued involvement in KWU would have probably cost AEG a financial engagement of a further three quarters of a billion Deutsche Marks by the end of the decade.

This would have put a severe *strain on the group's financial* resources and the anticipated interest burden would probably have meant no dividend until the end of the decade, said Dr. Cipa. The concern reported losses of DM684m. in 1974 and DM76.9m. in 1975, while the question of profit or a further deficit this year remains open. Suffice it is to say that after two dividendless years, no payout will be made for 1976 and the prospects of the situation continuing would try even the most patient AEG shareholder.

This year the group is expecting turnover to increase by about 8 per cent. to between DM13.5bn. and DM14bn. Business in the second half of the year had been considerably better than in the first half, with the strongest weeks for turnover still to come, said Dr. Cipa. It was not, however, possible to say whether the second half's positive results would compensate for the first half's performance.

Be that as it may, Dr. Cipa had only the commercial equivalent of blood, sweat and tears to offer at to-day's Press conference and it is clear that the group will be going through a traumatic *tightening-up period* for some time to come.

Dr. Cipa—who was brought into the concern during the re-organisation started by Herr

Dr. Plettner, president and chief executive of Siemens.

Jürgen Ponto, chairman, AEG Supervisory Board.

Juergen Ponto, the tough chief executive of the Dresdner Bank and chairman of the AEG supervisory Board—outlined what promises to be a ruthless programme for trimming off the loss-makers.

Some 50 per cent. of AEG's world turnover is highly sensitive to the climate of consumer demand and it is not intended to increase its dependence on the *consumer-orientated* sector. AEG plans a further build-up of its activities in the fields of energy and industrial technology, communications and transport technology and certain mass production areas.

AEG, as Europe's largest electronic consumer goods manufacturer, will continue to build up its market position in the field but it does not foresee major expansion in the domestic appliances and television, radio and sound systems field. In the first place it will consolidate certain sectors of "white" and "brown" goods production.

Closures of entire works have not been ruled out. AEG is withdrawing from the manufacture of small motors and passive components, and giving up the air *conditioning and ventilation* sector. The production of certain installation equipment is being dropped and the Schwei factory of the Olympia Werke subsidiary is being shut down.

If the sale of AEG's KWU interest leaves the concern looking with confidence to a more modest but far more profitable future, Siemens appears unawed by its acquisition. Dr. Bernhard Plettner, Siemens' chief executive, said to-day that KWU had a positive future, despite the likelihood that it would yield no dividends to its parent until 1980 at the earliest.

KWU's turnover in the current year is expected to total DM3bn. after DM1.4bn. in 1975, with earnings balancing out 1975's losses. In the next few years the group is expected to break even.

The order book stands at about DM30m., said Dr. Plettner, of which two-thirds are atomic power station contracts. The consolidation of KWU and Transormatoren Union (TU) figures with those of the Siemens group would give Siemens a 1976/77 world turnover of about DM28bn.

Siemens will not have to look outside for cash to finance the purchase of KWU or the 25 per cent. of TU. With DM2bn. earmarked for investment in 1976/77—compared with DM1.3bn. in the previous business year—its own resources are more than sufficient.

However, Dr. Plettner confessed that Siemens had not ruled out sharing its KWU interest with a new partner at some future date. Nothing would be done in the next two years, but prospects of a stronger industrial partner exerted a certain temptation, he said . . . adding that in this respect their *gaze was* fixed on the United States.

Rhone Poulenc recovers fast

By Robert Mauthner

PARIS, Nov. 10.

RHONE POULENC, France's biggest chemical and textile group, has made a striking recovery this year, after last year's disastrous performance when it was Frs. 895m. (about) *£110m.) in the red.*

Profits, before depreciation, taxes and provisions, are expected to reach Frs. 1.35bn. in 1976, thus wiping out last year's losses, and total turnover will rise by nearly 20 per cent. to Frs. 21.3 bn. compared with Frs. 17.8 bn. in 1975, according to the group's chairman, M. Renaud Gillet.

The dividend which M. Gillet will propose to the *Board will be the same as that* declared last year—Frs. 6 with a tax credit of Frs. 3. Since the group's finances are now considered to be in a relatively healthy state, no appeal will be made to shareholders for an additional financial effort, not even in the form of convertible debentures.

The upturn in turnover is the result of a sharp rise in sales volume of 17 per cent., whereas selling prices have increased by no more than 2 to 3 per cent. over their 1975 level.

Rhone Poulenc's export performance has also shown a marked improvement, with the proportion of sales abroad *rising from 54 to 59* per cent. year-on-year (29 per cent. in the form of direct exports and 30 per cent. in sales by foreign subsidiaries).

The recovery, however, has been uneven. While the chemicals divisions is again in profit this year, the textile sector's deficit, though much *less than* last year's Frs.842m., is still running at Frs.530m. this year.

The battle to restore the group's ailing finances has also inevitably led to a reduction in investments, which this year will total no more than Frs.1.36bn., compared with the original target of nearly Frs.2bn. and last year's total of Frs.1.85bn.

Indeed, M. Gillet emphasised that the level of 1975 will not be reached again until 1978, following the introduction next year of an ambitious invest*ment programme.*

Other economies have been made by the reduction of the group's workforce by 21 per cent. from its 1974 level of 25,000, the reduction of stocks, and a stricter control of wages.

IMF mission to visit Zaire

BY TONY HAWKINS

AN INTERNATIONAL Monetary Fund mission is expected to visit Zaire within the next few weeks for talks on further drawings from the Fund by Zaire.

Banking sources emphasised yesterday that the provision of any new syndicated credits for Zaire will depend upon a satisfactory outcome to these IMF talks and on the mission making a *favourable report*, as well as Zaire being able to "bring itself current" in respect of interest and loan repayments on which it has been in arrears for about 18 months.

It is understood that the IMF observers were present at the debt renegotiation talks between Zaire and the commercial banks that ended with last Friday's Memorandum of Understanding. This agreement commits Zaire to meeting IMF conditions for drawing its second and third credit tranches as well as becoming current on interest payments on external loans from commercial banks and making capital redemption payments into a designated principal repayment fund.

In order to draw these second and third tranches, Zaire will have to meet rigorous monetary and fiscal targets and may also be required to satisfy the Fund on its exchange rate policy.

Bankers stressed that there is no question of the commercial banks undertaking any supervisory role. This task was best left to an independent body—the IMF—which will advise Zaire on the steps it should take to bring its economic house back into order.

It is understood that the Zaire Government fully accepts the importance of doing this. This, however, has not always been the case. During the past year, Zaire has made unsuccessful efforts to *obtain funds from elsewhere*—including the Middle East—in an attempt to sidestep the kind of economic straitjacket which the IMF might be expected to stipulate.

The critical consideration now *is one of market perception*—that the banks should perceive that Zaire is taking the necessary unpalatable step to meet its external obligations. Once this is evident, then a banking consortium headed by the *Citicorp International Group* will try and put together a $250m. loan to Zaire. It is emphasised that the Zairean Government acknowledges that it needs to satisfy its creditors not purely because of the $250m. loan in 1977, but because of the need to borrow upwards of a further $1bn. in a few years time to develop the country's considerable mineral potential.

● **David Buchan from Brussels, writes:** The agreement by international banks to provide Zaire with a further $250m. loan coupled with the broader plan to re-establish Zairean credit in international markets has been welcomed by spokesmen for Société Générale, Belgium's largest financial and industrial group, as providing the right financial climate for the two important agreements which it has just signed with the Zairean Government.

These provide first, for the setting up of a joint venture between an S.G. subsidiary, *Société Générale des Minerais* and two Zairean State mining concerns, for the supplying of mining technology and the marketing of minerals mainly, of course, copper.

Second, another S.G. subsidiary, Agence Maritime Internationale, and the Zairean State shipping organisation are to take minority cross interests in each other.

S.A. Breweries problems

BY RICHARD ROLFE JOHANNESBURG, Nov. 10.

FOLLOWING EARLIER indications of a standstill in earnings at its subsidiaries, the South African Breweries has reported profit figures for the six months to end September which testify to the difficult trading conditions of the latest accounting period.

The reported figures show a rise in turnover by 38 per cent. from R477m. to R661m. and in net operating profit from R36m. to R45m. After higher interest and tax charges the improvement at the net level is from R11.6m. to R14.2m. but in terms of earnings per share the improvement has been wiped out as the rise is only from 6.47 cents to 6.5 cents, reflecting the higher share capital issued in order to acquire Stellenbosch Farmers Winery in which the S. A. Breweries previously had a stake

As a result of the equity dilution entailed in this acquisition, the dividend on the Ordinary shares is unchanged at 2.5 cents and everything now depends on the group's second half to March 31, 1977, which traditionally accounts for two-thirds of earnings. Last year the outcome for the full year was earnings of 20.7 cents out of which 9.5 cents was paid.

The forecast from the directors reads somewhat ambiguously. They refer back to the earlier annual statement issued in June when the chairman, Dr. Frans Cronje, suggested that earnings growth might be difficult to achieve in the current year. The latest information is that profit margins throughout the group remain under pressure, but price increases in the key beer division will help to raise profitability.

Even in these circumstances, the Board says it is difficult to predict the outcome for the full year. But unless disposable income in the consumer sector takes a further downturn, the directors are optimistic that earnings will either achieve " or come close to achieving last year's earnings per share."

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early mild technical rally

BY OUR WALL STREET CORRESPONDENT

A MILD TECHNICAL rally developed on Wall Street to-day when selling pressure, which has plagued the market since Election Day, dried-up.

Closing prices and market reports were not available for this edition.

By 1 p.m. the Dow Jones Industrial Average regained 1.33 to 932.10 and the NYSE All Common Index recovered 13 cents to $53.27, while advances led declines by nearly a seven-to-five majority. Trading volume was little changed at 10.36m. (10.71m.) shares.

But analysts said the basic concerns that have been pushing prices lower remain unchanged in the gloomy news background. These include the policies of the incoming Carter Administration, inflation and the slowdown in economic growth, as well as the threat of higher OPEC oil prices.

CBS gained $1½ to $53 on a quarterly dividend raised by $¼ cents to 30 cents per share.

IBM added $1¼ at $261½—it announced a new Supermarket scanning and key entry devices.

Sybron Preferred were lifted $4¾ to $42¾—the company said it would buy 400,000 Preferred shares at $42½ each.

Hecla Mining were up $1½ to $12¾, Owens-Corning $1¾ to $60¾, Gulf Resources $1 to $16¾ and Superior Oil $2 to $205.

Semiconductor stocks were lower. Texas Instruments lost $1½ to $101¾, National Semiconductor $1¾ to $26¾ and Fairchild Camera $¾ to $41.

Playboy Enterprises picked up $1¼ to $5¾—it might participate in developing a casino-hotel in Atlantic City.

Milgo Electronics were up $1½ to $21¾—it rejected a merger offer from Applied Digital Data, up $¾ to $17½ bid in Over-the-Counter dealings.

Interstate Brands gained $1¾ to $13¾—DPF said it plans to buy 710,000 more Interstate shares at $15½ each.

Among Golds, Dome Mines rose $1¾ to $45¾, Campbell Red Lake $¾ to $23¾, ASA $¾ to $21½ and Homestake Mining $¾ to 38. The London gold price rose $5.70 on

THE AMERICAN SE Market Value Index picked up 0.07 to 98.68, although declines led advances by 209-to-197. Volume expanded 30,000 shares to 1.15m., compared with 1 p.m. yesterday.

Miller-Wohl rose $1½ to $18¾ and Health-Chem were up $¼ to $8¼.

Pittway lost $¾ to $28¾, despite higher third-quarter earnings.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Zale	338,200	19¼	−¾
General Motors	343,500	70¼	−¾
Dow Chemical	318,400	38¾	−¾
Evans Products	298,200	19¾	+1½
Exxon	249,500	48¾	−¾
Citicorp	214,900	29¼	−¾
Nat. Semiconductor	207,000	27¾	−¾
Texaco	191,000	27¾	+¾
Gulf Oil	187,100	27¾	−¾
Amer. Tel. and Tel.	167,100	61	—

OTHER MARKETS

Canada still lower

Canadian Stock Markets continued to lose ground in light trading yesterday morning.

The Industrial Share Index shed 0.13 to 174.36, Base Metals 0.33 to 81.06, Utilities 0.89 to 140.11, Banks 0.87 to 237.47 and Papers 0.91 to 108.17. But Golds further advanced 9.63 to 305.48 and Western Oils firmed 0.04 to 207.51.

Consolidated-Bathurst dipped $¾ to $29¼, Magna added $¼ at $17½, while Imperial Oil at $20¾ and Imco at $30¾ each climbed $¾.

Moore further declined $¾ to $33 on lower nine-month earnings.

PARIS—Generally higher, reflecting the ⅛ per cent. fall in Call Money to 10⅞ per cent.

Rhone-Poulenc moved up Frs.4.6 to 70.6—it expects more or less to break even this year following a loss of Frs.879m. last year.

Engineerings were mixed, while Electricals were generally firmer. Thomson Brandt rose Frs.6.1 to 170.1 on higher nine months turnover.

Banks were better, Metals lower, while Oils were mixed.

Americans were lower, Germans mixed. International Oils and Coppers higher and Gold Mines strongly firmer.

BRUSSELS—Mostly higher ahead of the forthcoming Armistice Day holiday. Trading will resume next Monday.

Steels improved, Electricals and Utilities firmed, as did non-ferrous Metals, Chemicals finished narrowly mixed, Oils gained ground, while Holdings were higher.

U.K., French and Dutch stocks rose, but U.S. issues were lower, while Canadians were mixed. Gold Mines gained sharply.

GERMANY—Most shares were slightly higher on some Institutional buying.

AEG lost DM0.30 and Siemens DM1.50—Siemens will take over AEG's stake in EWU, and proposes an unchanged dividend.

Banks were between DM2.50 and DM4 higher while, among Motors, VW firmed DM1.60.

Among Engineerings, Demag rose DM3. Major Chemicals and Steels were generally firmer.

Public Loans lost up to DM0.58 and the Regulating Authorities sold DM4m. nominal of stock. Foreign Mark Loans were mixed.

MILAN—Mixed trend.

"Big" Industrials were among the gainers, while Insurances and Banks were among the losers.

SWITZERLAND—Mostly lower in moderate trading.

Banks and Financials were narrowly mixed while other sectors declined slightly.

In a fairly active foreign sector, Dollar stocks were slightly lower, Dutch Internationals barely steady, while Germans were slightly irregular.

OSLO—Industrials were firmer in a quiet market.

VIENNA—Quietly steady.

COPENHAGEN—Mixed in moderate dealings.

NEW YORK, Nov. 10.

AMSTERDAM—Narrowly mixed in slow trading.

Holland America Line were down Fls.1.50, but DeH were up Fls.3.20 and Hagemeijer Trading rose Fls.2.30.

Most State Loans edged higher.

TOKYO—Sharply higher as investors selected shares with good earnings reports. Volume 270m. (130m.) shares.

Fisheries, Foods, Textiles, Paper-Pulps, Chemicals, Motors, Printings and many others firmed on active selective buying.

Kokusai Denshin Denwa gained Y160 to Y2,630, Pacific Industrial Y100 to Y730, Makamuraya Y55 to Y412, Yamamura Glass Y49 to Y228, Max Y48 to Y485, Marudai Food Y40 to Y1,160.

But Hitachi Koki were down Y35 to Y616, Nissin Food Products Y30 to Y1,110, Matsushita Kotobuki Y20 to Y1,820.

HONG KONG—Higher in active trading.

Hong Kong Bank were up 10 cents to $HK18.10, New World 1 cent to 1.45, Jardine 20 cents to 16.90, Hong Kong Electric 7½ cents to 4.775, China Light 30 cents to 26.70 and Hong Kong Telephone 60 cents to 27.50.

JOHANNESBURG—Gold shares remained steady at higher levels as trading slackened. "Heavyweights" gained up to 75 cents, while "lightweights" were around 15 cents higher.

Financial Minings firmed toward the close, Coppers also firmed, Platinums were mixed.

AUSTRALIA—Markets rallied, following Institutional buying after overseas selling petered out.

Banks were very firm, with ANZ rising 10 cents to $A3.30, Wales 15 cents to $A4.85 and National 8 cents to $A2.40.

Among Mining, Central Norseman rose 20 cents to $A1.70 on the sharp rise in the gold price, while Pancontinental gained 60 cents to $A8.20, Peko-Wallsend 6 cents to $A3.55, Utah 14 cents to $A6.00 and CRA 10 cents to $A2.35.

In Oils, Woodside Burmah put on 4 cents to $A1.09.

Indices

NEW YORK —DOW JONES

	Nov. 9	Nov. 8	Nov. 5	Nov. 4	Nov. 3	Nov. 1	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	930.77	935.68	945.07	960.44	956.53	966.09	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
HomeB'nds*	89.70	89.60	89.66	89.67	89.77	89.71	89.96 (23/9)	85.68 (15/7)	—	—
Transport	211.76	211.76	214.25	215.75	209.92	211.25	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	98.22	97.56	98.00	98.42	97.97	98.54	98.02 (21/9)	84.8 (26/5)	165.32 (20/4/65)	10.58 (28/4/42)
Trading vol. 000's	19,210	16,520	20,780	21,700	19,650	16,380	—	—	—	—

* Basis of index changed from July 1.

	Nov. 5	Oct. 29	Oct. 26	Year ago (approx.)
Ind. div. yield %	4.07	3.98	4.09	4.60

STANDARDS AND POORS

	Nov. 9	Nov. 8	Nov. 5	Nov. 4	Nov. 3	Nov. 1	1976 High	1976 Low	Since compilation High	Since compilation Low
* Industrials	110.86	111.21	112.61	114.52	114.02	115.55	120.89 (21/9)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
† Composite	99.32	99.60	100.82	102.41	101.92	103.10	107.83 (21/9)	98.80 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Nov. 3	Oct. 27	Oct. 20	Year ago (approx.)
Ind. div. yield %	3.75	3.61	3.61	3.79
Ind. P/E Ratio	11.53	11.52	11.50	11.76
Long Govt. Bond yield	5.39	5.56	5.54	6.06

N.Y.S.E. ALL COMMON

Nov. 9	Nov. 8	Nov. 5	Nov. 4	1976 High	1976 Low
53.14	53.29	53.84	54.70	57.51 (21/9/76)	57.96 (2/1/76)

Rises and Falls	Nov. 9
Issues Traded—1,887	Up—554
Down—876	Same—457
New Highs 25	New Lows 47

		Nov. 9	Nov. 8	Nov. 5	Nov. 4	1976 High	1976 Low
MONTREAL	Industrial	173.76	175.18	177.90	178.98	207.55 (19/5)	175.49 (26/10)
	Combined	174.40	175.80	178.40	179.20	199.78 (20/6)	175.67 (2/1)
TORONTO	Industrial	174.49	176.04	178.56	179.49	197.45 (20/2)	175.01 (2/1)
JOHANNESBURG	Gold	182.8	180.4	155.2	151.1	226.7 (12/5)	115.5 (25/8)
	Industrials	174.7	174.4	174.1	175.9	215.0 (21/5)	174.1 (5/11)

	Nov. 10	Previous	1976 High	1976 Low
Australia (a)	422.27	419.25	522.63 (19/8)	419.32 (9/11)
Belgium (b)	87.76	87.27	113.19 (5/2)	87.13 (25/10)
Denmark (d)	103.15	103.07	117.70 (19/8)	100.14 (14/10)
France (e)	53.8	53.4	74.3 (5/5)	52.3 (26/10)
Germany (f)	716.0	715.1	821.7 (17/5)	687.7 (29/10)
Holland (g)	84.1	84.0	105.3 (5/2)	77.9 (15/10)
Hongkong (h)	397.74	394.95	465.33 (17/5)	354.56 (2/1)
Italy (k)	64.93	65.03	91.37 (23/2)	64.93 (10/11)
Japan § (m)	347.84	346.18	368.61 (1/9)	328.28 (5/1)
Singapore (n)	249.02	248.99	286.16 (3/2)	256.35 (2/1)
Spain (p)	75.58	76.36	100.78 (7/6)	72.65 (22/10)
Sweden (q)	360.51	363.72	478.86 (10/6)	366.31 (3/11)
Switz'rl'd (r)	262.1	263.5	298.6 (12/3)	251.7 (29/10)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/55. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £ — 118¾% (same).

NEW YORK

[illegible]

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ♦ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Shillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs; including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

CANADA

[illegible]

GERMANY ◆

Nov. 10	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	86	−0.3	—	—
Allianz Versich.	378	+5	18	2.3
B.M.W.	219	+1	18	4.0
B.A.S.F.	149.5	+1.2	14	4.6
Bayer	129.8	+1.1	14	5.4
Bayer Hypo.	280	....	20	3.6
Bayer Vereinsbk.	285	+4	20	3.0
Commerzbank	180	+2.5	18	4.9
Conti. Gummi	72	+0.8	—	—
Daimler	342	−0.5	17	2.4
Degussa	254	+2	15	4.0
Demag	149	+3	15	5.5
Deutsche Bank	282	+4	20	3.6
Dresdner Bank	220	+3	20	4.5
Dyckerhoff Zement	138	+3	6	2.1

[illegible]

MILAN

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

SWITZERLAND ◆

[illegible]

AMSTERDAM

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

[illegible]

TOKYO ¶

[illegible]

STOCKHOLM

[illegible]

OSLO

[illegible]

BRAZIL

[illegible]

Vol. Cr. 40.8m. Shares: 26.5m. Source—Rio de Janeiro SE.

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

SPAIN ♥

[illegible]

Gold firmer

Gold gained $5½ to $136-137 after a very active day. Heavy buying was reported from the Far East and commercial and speculative interests continued to push the price up. There were no new factors yesterday, but Mr. Jimmy Carter's election as U.S. President may be regarded as generally inflationary and the market appears confident that the metal has recovered from its recent low levels. The closing price was around $20 higher than just before the last gold auction by the International Monetary Fund on October 27, and is at the highest level since mid-January.

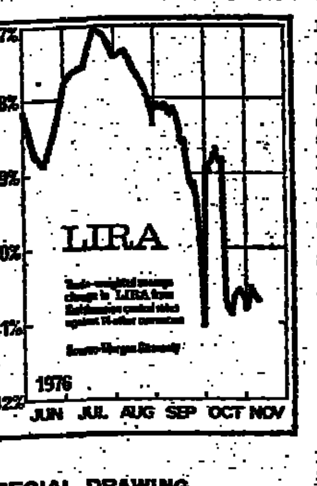
The krugerrand finished at $139½-141½ (£85½-86½) in the domestic and international markets. Its premium over the gold content widened to 2.93 per cent. from 2.76 per cent.

Sterling closed 45 points higher against the U.S. dollar, at $1.6330-$1.6340. The market was fairly active for most of the day, but trading was fairly thin towards the close. The pound opened at $1.6350-$1.6360 and touched a best level of $1.6395-1.6415. It then remained at $1.6350-1.6375 for some time, but fell to a worst point of $1.6300 in the afternoon, following selling from New York.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, narrowed to 46 per cent. from 46.2 per cent., after standing at 45.8 per cent. at noon and in early dealings.

The forward pound continued to improve. Three month sterling's discount against the dollar narrowed to 4.08 cents from 4.17 cents.

The dollar's trade-weighted depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, narrowed to 2.30 per cent. from 2.36 per cent.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Nov. 9	Nov. 8
Sterling	0.708796	0.710355
U.S. dollar	1.15392	1.15399
Belgian franc	42.9085	42.8015
Deutschemark	2.79052	2.78654
French franc	5.75777	5.75726
Italian lira	998.860	998.692
Japanese yen	339.022	340.139
Dutch guilder	2.91826	2.91209
Swedish krona	4.88777	4.88369
Swiss franc	2.81949	2.81943

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Nov. 10	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfu't	—	2.413-414	48.59-60	6.495-505	3.935-945	95.40-45	98.97-04
N. York	41.38-40	—	20.08-48	2.689-6925	1.6340-6350	39.57-59	40.97-99
Paris	205.9-6.3	4.9762-9852	—	13.386-411	8.14-1645	196.75-15	203.9-4.3
Brussels	15.37-40	37.17-22	7.45-48	—	60.31-94	14.68-72	15.21-25
London	3.94-95	1.633-634	8.13½-14½	60.55-75	—	4.12½-13½	3.98-99
Am'rd'm.	104.595-645	2.5297-5322	50.79-84	6.795-804	4.1225-75	—	103.615-665
Zurich	100.98-07	2.4375-85	48.98-49.01	6.57-5775	3.976-9805	96.45-54	—

U.S.$ in Montreal. U.S.$=97.34-36 Canadian cents.
Canadian $ in New York. C$=102.76-78 U.S. cents. U.S.$ in Milan 865.60-866.0.
Sterling in Milan 1416.0-1418.8. *Rate for Nov. 9.

EURO-CURRENCY INTEREST RATES*

Nov. 10 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

GOLD MARKET

	Nov. 10	Nov. 9
Gold Bullion (a fine ounce)		
Close	$136-137	$131-131¼
Opening	$133⅛-134⅛	$131¾-132¾
Morning fix'g	$135.90 (£82.932)	$130.25 (£80.129)
Afterno'n fix'g	$136.25 (£83.436)	$130.55 (£80.102)
Gold Coins domestically		
Krugerrand	$139½-141½ (£85½-86½)	$134-136 (£82½-83½)
NewSov'r'gns	$49-51 (£30-31)	$47-49 (£29-30)
Old Sov'r'gns	$46-48 (£28½-29½)	$44½-46½ (£27-28)
Gold Coins (Intern'nally)		
Krugerrand	$139½-141½ (£85½-86½)	$134-136 (£82½-83½)
NewSov'r'gns	$49-51 (£30-31)	$47-49 (£29-30)
Old Sov'r'gns	$42½-44½ (£26-27)	$41-43 (£25½-26½)
$20 Eagles	$220-223	$215-218
$10 Eagles	$118-121	$114-117
$5 Eagles	$78-81	$78-81

FOREIGN EXCHANGES

Nov. 10 1976	Bank Rates %	Market Rates Day's Spread	Market Rates Close
New York	5½	1.6300-1.6415	1.6330-1.6340
Montreal	9½	1.5909-1.5969	1.5940-1.5950
Amsterdam	7	4.12-4.16	4.12½-4.13½
‡Brussels	9	60.40-61.50	60.55-60.75
Copenhgen.	11	9.64-9.74	9.64½-9.65½
Frankfurt	5½	3.93½-3.96	3.94-3.95
Lisbon	9½	51.10-51.80	51.25-51.45
Madrid	7	111.40-112.30	111.50-111.70
Milan	15	1,412-1,421	1,413-1,415
Oslo	6	8.62-8.71	8.62¼-8.63¼
Paris	10½	8.13-8.19	8.13¼-8.14¼
Stockholm	8	6.90-6.97	6.90¾-6.91¾
Tokyo	6½	475-490	4.80-4.85
Vienna	4	28.08-28.40	28.10-28.20
Zurich	2	3.97-4.02	3.98-3.99

* Basic discount. ‡ Rates given are for convertible franc; financial franc 60.95-61.15.

OTHER MARKETS

		Notes	Rates
◆Argen'na	228.48-228.69	Argentina	375-475
Australia	1.3188-1.3321	Austria	27½-29
Brazil	19.14-19.54	Belgium	60½-62½
Finland	6.27-6.40	Brazil	21-25
Greece	59.735-61.247	Canada	159-161
Hng Kong	7.6125-7.6375	Denmark	9.59-9.9
Iran	112-116	France	8.05-8.2
Kuwait	0.465-0.475	Germany	3.90-4.0
Luxembg	60.55-60.75	Greece	63-67
Malaysia	4.125-4.1565	Italy	1420-14
N. Zealand	1.6862-1.7461	Japan	480-50
SaudiArab	5.70-5.80	Nether'l'ds	4.05-4.2
Singapore	4.005-4.018	Norway	8.60-8.9
S. Africa	1.4169-1.4319	Portugal	51-55
U.S.—		Spain	110½-11
Canada		Switz'land	3.90-4.1
C$1—		U.S.	1.63-1.6
U.S. cents	102.43-102.48	Yugoslav'ia	55-56

* Basic discount. ‡ Given rates are for convertible franc. Financial franc 60.95-61.15.

FORWARD RATES

	One Month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Cop'nhg'n	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockh'lm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

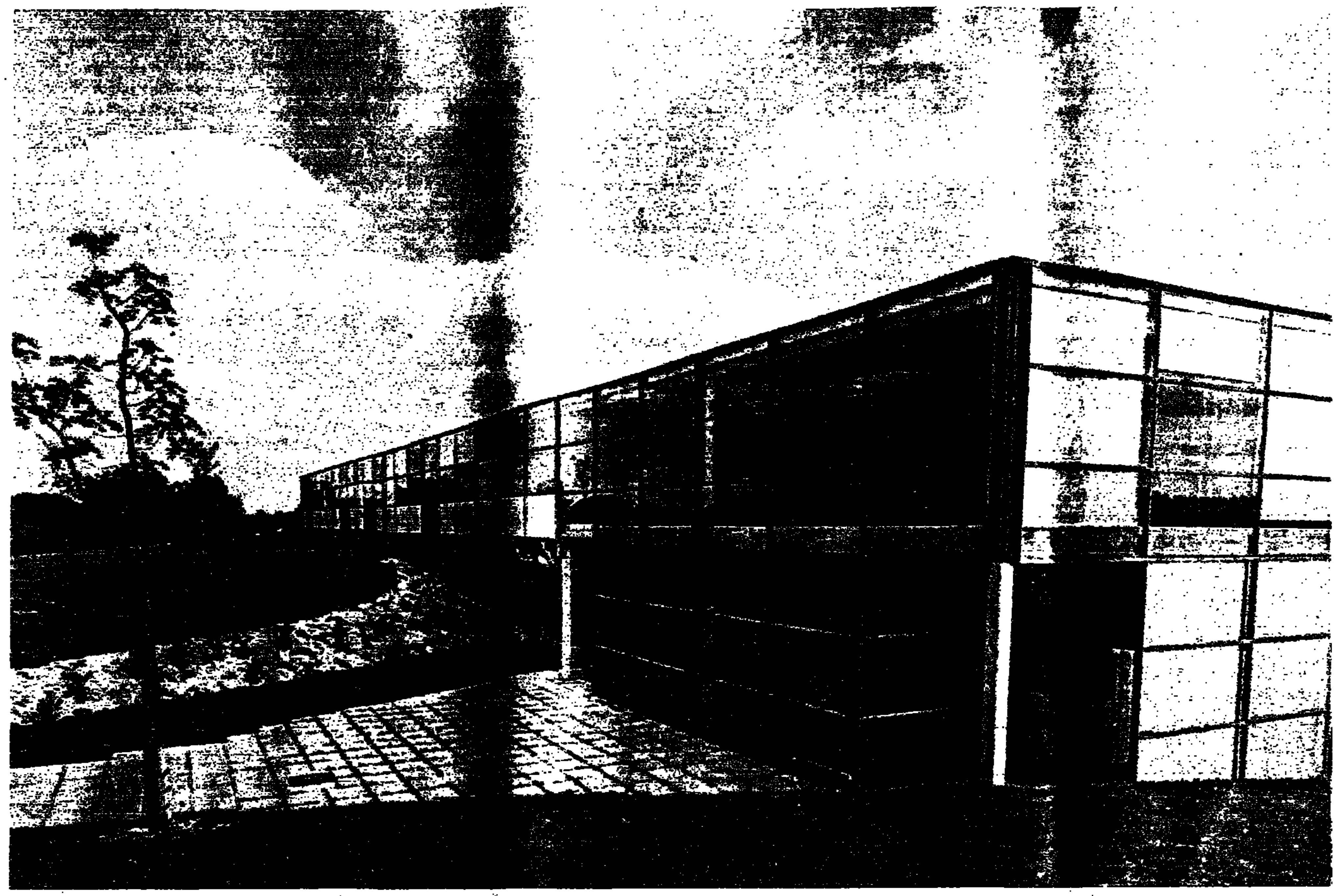
Six-month forward U.S. dollar 7.69-7.5 and 12-month 13.40-12.90c pm.

هكذا اصله الأصل

FINANCIAL TIMES AWARD 1976

Industrial Architecture

award goes this year to the Technical Service Centre, ɔourn, Herts



ANEL

celebrates the TENTH ANNIVERSARY of the Times. Award for an outstanding work of architecture.

d is open to all, both architects and engineers, d with the design of industrial works which can ther town or country an outstanding contribution aging a better industrial environment.

cial Times welcomes this year's applications.

sment panel comprises two architects, selected minence in practice and their interest in the landscape and appointed with the co-operation of Institute of British Architects, together with one ist.

the architect assessors were H. T. Cadbury- E RIBA and Peter Falconer RIBA. The industrial was Sir Colin Anderson, KBE, (late Chairman of the Art Commission) and an Honorary Member of

l is to be presented by the Editor at a luncheon to day at Goldsmiths' Hall. Lord Gibson, Chairman ncial Times, will preside.

of the Assessors

t competitions, competence is not always enough. at entries which reached the final round should ore than an orderly and appropriate answer: they re a special and significant merit which could be d and commended. In examining each scheme we e entrants had identified and tackled (and lly) various problems. Had they:
rated a massive building or object in a landscape

d to the quality of the site or neighbourhood.
red a technical improvement.
d a new way of regarding a particular problem.
a special contribution to life in the work place.
ed a building economical in maintenance and costs.
ts could be divided generally into three
:
pecial building or piece of machinery as an object : e.g. gas distribution plants, cooling towers,

ourpose-made, tailored-to-fit building, often with ent of prestige: e.g. a factory, laboratory or use sometimes with suites of offices.
ries or warehouses built to let. These occurred n new towns or industrial estates.
varied from the very small, at village scale, to arge buildings which formed a centre for work tion for several thousand people in a landscape cres.

NNER

nical Service Centre
Herts.
ilding for an organisation which undertakes d development projects, usually confidential, for England and abroad.
of a single floor of laboratories and offices set on tform which is sunk into the chalk landscape. under the platform is used for access, car l plant and the many facilities are suspended latform servicing the working areas above. easy acceptance of the elements of industrial e and technology, the assembling of parts, m to be seen and clarifying their relationship t colour; unifying them. It has the impact of a nd in its economy of means points the way to a ing with British resources.
recommend this project for the Award for 1976.

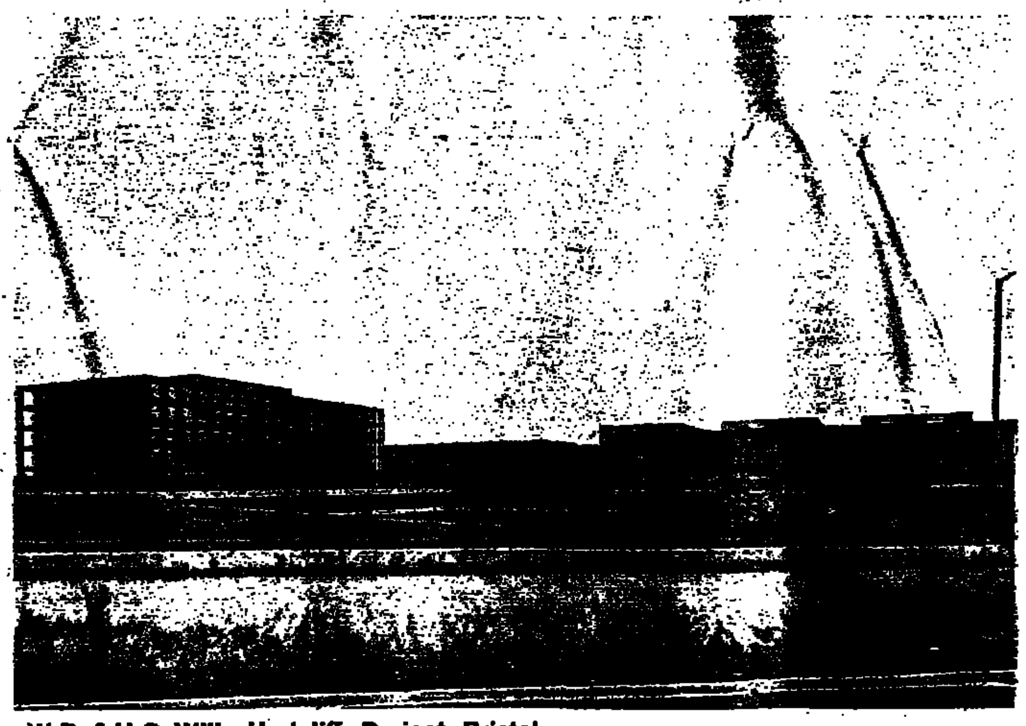
S: Piano & Rogers, Architects
SURVEYORS: Gleeds
AL ENGINEER: Felix Samuely & Partners
AL SERVICES ENGINEERS: Hancock Design Co-Ordinates
. G. Carter (Kings Lynn)

NDED

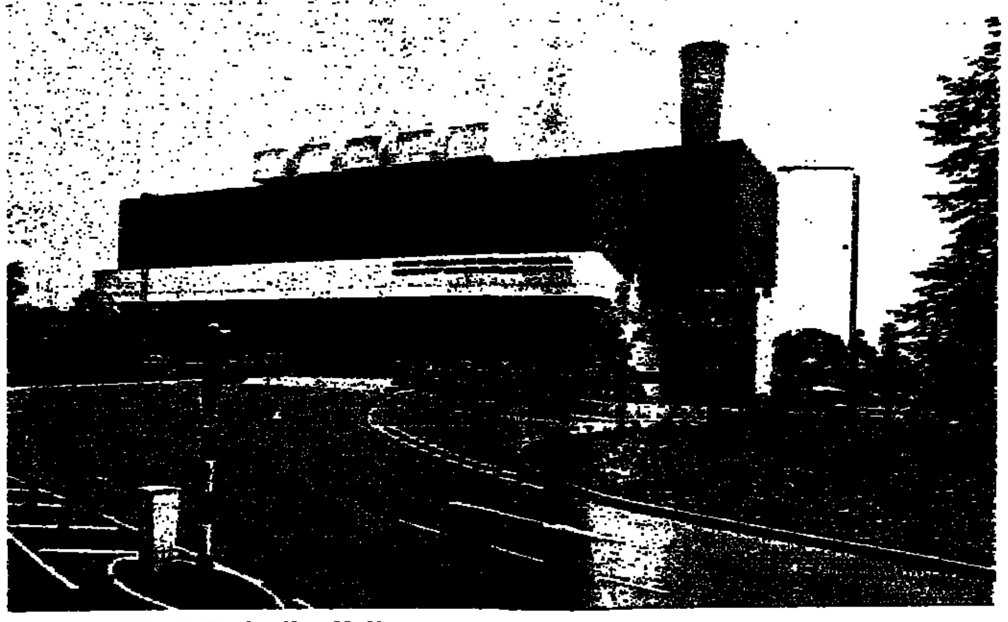
). Wills, Hartcliffe Project

n unit and warehouse to deal with part only of y's total production and an administration ontain its entire headquarters organisation. gs are constructed of 'Corten' steel, the natural hich will weather to a dark brown colour. There gree of servicing, the whole interior being ned and largely artificially lit. A high standard of ommodation is provided for the staff with creation rooms and a supermarket.
is finished throughout in a pale cream colour, eable, but when extended everywhere without a rather clinical atmosphere. This is especially the long subterranean, artificially lit tunnel ects the two buildings.
oncept is handled with great professional skill. e pavilions of glass and steel are set in a newly ulating landscape. A demonstration of how the ilding can be a monument as classical and mple to which nothing can be added and n away.

: Skidmore, Owings, & Merrill, Architects (Chicago)
Yorke Rosenberg Mardall, Architects (London)
SURVEYORS: Gleeds
AL ENGINEERS: Felix Samuely & Partners
NGINEERS: Steenson Varming Mulcahy & Partners
IANAGEMENT CONTRACTOR: John Laing Construction



W.D. & H.O. Wills, Hartcliffe Project Bristol



Coventry Waste Reduction Unit

Habitat Warehouse, Office & Showroom Complex Wallingford, Berkshire

Oldhall East Block A Irvine New Town

Coventry Waste Reduction Unit
The enclosure of a massive piece of machinery particularly well sited in a hollow and seen mainly as a vigorous silhouette above the surrounding trees, of grand scale and with careful and straight-forward detailing; a courageous solution to a difficult problem.

DESIGNERS: Harry Noble, City Architect and Planning Officer, in succession to Terence Gregory
BUILDER: Taylor Woodrow Construction (Midlands)

Habitat Warehouse, Office & Showroom Complex
Wallingford, Berkshire
A direct and logical layout and an original design solution, particularly in the handling of the asbestos envelope covering the roof and walls, and the curved junctions between them. The interior spaces and structural frames are economical and elegant.
Architecturally less successful on the 'services' side.

DESIGNERS: Ahrends Burton & Koralek, Architects
STRUCTURE & SERVICE ENGINEERS: Ove Arup & Partners B.E.D.
QUANTITY SURVEYORS: Monk Dunstone Mahon & Scears
BUILDER: Myton

Oldhall East Block A
Irvine New Town
A simple, well proportioned standard factory built to let by the New Town Corporation.
The occupier is yet to be found. We considered this concept of a standard factory available for immediate occupation, for storage or manufacture, to be commendable.
The design and execution is most straight-forward and succeeds well, but in this particular case we considered the service yard facilities would be inadequate for many users.

DESIGNERS: Irvine Development Corporation: Chief Architect/Planner, J. K. Billingham
CHIEF ENGINEER: W. G. Conchie
CHIEF QUANTITY SURVEYOR: P. R. Thompson
BUILDER: Costain Construction

Special Mention
In addition to these five buildings we would like to draw attention to a particular entry: a builder's warehouse (architects: Design Team Partnership) in the village of Sheering in Essex. It illustrates how an industrial/commercial building can merge into a village as successfully as a barn.
While it is realised that the entries were conceived before the energy crisis, it is disappointing to find that little or no regard has been paid to energy conservation and reclamation of process heat, the savings on which can amount to more than rent and rates.
It now seems that the policy of isolating all industry away from town centres or residential areas is being held in doubt. This means that small and medium sized industrial buildings could be integrated nearer to the town centres. The entries to the award indicate that far from demeaning such areas, they would be enhanced.

Photographs by
GLYN GENIN AND FREDDIE MANSFIELD

THE JOBS COLUMN

New managerial salary indicators · Ashridge tutor

BY MICHAEL DIXON

THE ADJACENT large table is an enriched version of my thrice-yearly list of salary indicators. It is compiled from the Reward survey which is based on the people who registered as job candidates with the Government-supported Professional and Executive Recruitment agency during the four months which ended with September.

The figures are for the candidates in the 33-37 age group from all parts of the country, and are based on a total of about 3,150 people (the comparative figures for the corresponding period of 1975 are based on roughly 2,800). The number of candidates in each occupational category ranges from about 200 in the cases of sales representatives, technical representatives, sales managers, and accountants, down to 13 in the cases of economists and statisticians and chemical engineers, and only a handful more of physicists and of metallurgists. This no doubt helps to explain the waywardness of the comparative pay figures for economists and statisticians.

As always, the table gives figures for the lower quartile (the salary of the PER candidate three quarters of the way down the salary ranking for the particular job category), the median (the person half way down), and the upper quartile (the person a quarter of the way down). But this time there is one notable addition.

Previously my table has lumped together the candidates in each category whether or not they were professionally qualified. This time the lumped-together figures are still given in the first set of six columns, but separate figures for the professionally qualified candidates have been added, where discerned by PER, in the second set of six columns.

Since I have had half a dozen telephone calls over the past few days asking when the table was next going to appear in the column, I gather that a good many readers are given to using these figures as a personal or organisational guide. So a warning is necessary.

The salary information is not only confined to the single middle age group and undifferentiated as to region. It also takes no account of the different sizes of employing concerns, and it is drawn from a sample of people among whom a large proportion were unemployed.

To compensate for the extra degree of joblessness, the compilers of Reward recommend that the figures should be increased by 4 per cent. The compilers also recommend adjustments to reflect the size of employing company.

For people working for international, nationalised or big national concerns, the recommended size adjustment is an increase of 16 per cent.—giving a rise of 20 per cent. in all. For a regional company with 80 to 300 salaried staff, a 3 per cent. addition is suggested—making 7 per cent. in all. For employers, excluding professional partner-salaried staff, the compilers recommend a 15 per cent. reduction—giving a net decrease of 11 per cent.

BOB THOMAS, of the independent Ashridge Management College in Hertfordshire, is having difficulty in finding the right candidate to join the college as a tutor in marketing studies. The tutor will manage a number of the 120 courses run annually at Ashridge, teach in general as well as marketing programmes, and engage in applied research and consultancy. Someone with an appropriate degree, and experience of marketing-management and teaching would be the ideal. Salary range £5,500-£8,300. Inquiries to Mr. Thomas at Berkhamsted, Herts HP4 1NS—telephone Little Gaddesden 3491.

	All in sample						Professionally qualified only				
Age group 33-37	Lower quartile	(1975)	Median	(1975)	Upper quartile	(1975)	Lower quartile	(1975)	Median	(1975)	Upper qu
	£	£	£	£	£	£	£	£	£	£	£
General managers	4,500	(4,000)	6,000	(5,000)	7,500	(7,000)	5,200	(4,750)	6,000	(6,000)	7,750
Admin. managers	3,000	(3,100)	3,500	(3,650)	4,300	(4,350)	—	—			—
Company secretaries	4,250	(3,000)	4,800	(4,000)	5,500	(4,500)	4,350	(4,000)	5,000	(4,500)	5,800
Accountants	3,800	(3,000)	4,600	(3,800)	5,750	(5,000)	4,150	(3,600)	5,000	(4,500)	6,500
Cost accountants	3,600	(3,050)	4,500	(3,700)	5,300	(4,200)	4,200	(3,750)	4,950	(4,200)	5,750
Computer managers	4,200	(4,000)	5,200	(4,800)	6,300	(5,900)	3,800	—	5,000	—	6,700
Systems analysts	3,900	(3,100)	4,550	(4,100)	5,400	(5,000)	—	—	—	—	—
Programmers	2,600	(2,600)	3,500	(3,300)	4,400	(3,800)	—	—	—	—	—
O & M/work-study officers	3,500	(3,000)	4,000	(3,550)	4,500	(4,300)	3,600	(3,200)	4,000	(3,800)	5,000
Personnel execs.	3,500	(2,900)	4,450	(3,850)	5,000	(4,750)	3,700	—	5,000	—	5,400
Training execs.	3,500	(3,100)	4,000	(3,800)	5,000	(4,750)	—	—	—	—	—
P.R. executives	3,200	(2,750)	4,200	(3,700)	5,300	(5,900)	—	—	—	—	—
Marketing managers	4,600	(3,600)	5,250	(4,600)	6,800	(5,300)	4,750	(3,750)	5,000	(4,750)	7,000
Sales managers	3,800	(3,500)	4,500	(4,050)	5,500	(5,000)	—	—	—	—	—
Sales office managers	3,250	(2,700)	3,600	(3,000)	4,250	(3,500)	—	—	—	—	—
Sales representatives	3,000	(2,500)	3,500	(3,000)	4,000	(3,500)	—	—	—	—	—
Technical sales reps.	3,000	(2,600)	3,500	(3,000)	4,000	(3,600)	—	—	—	—	—
Retail management	3,000	(2,600)	3,500	(3,000)	4,250	(4,000)	—	—	—	—	—
Production managers—engineering	3,700	(3,200)	4,250	(3,700)	4,900	(4,500)	3,900	(3,800)	4,500	(4,500)	5,150
Production managers—non-engineering	3,550	(3,250)	4,000	(3,850)	5,000	(4,500)	4,700	(3,750)	4,950	(4,200)	5,500
Production engineers	3,750	(3,200)	4,300	(3,500)	4,950	(4,250)	3,750	(3,500)	4,550	(3,900)	5,000
Mechanical engineers	3,600	(3,150)	4,250	(3,650)	5,000	(4,500)	3,850	(3,350)	4,400	(4,100)	5,100
Electrical engineers	3,600	(3,000)	4,300	(3,800)	5,000	(4,300)	3,600	(3,000)	4,500	(3,850)	5,000
Chemical engineers	4,600	(3,200)	4,700	(3,600)	5,800	(5,200)	—	—	—	—	—
Draughtsmen	3,150	(2,700)	3,500	(3,100)	4,000	(3,500)	3,150	—	3,500	—	4,000
Civil engineers	3,750	(3,200)	4,250	(3,700)	5,000	(4,500)	4,300	(3,750)	5,000	(4,200)	6,050
Engineering technicians	3,350	(2,700)	3,850	(3,250)	4,300	(3,800)	3,350	—	3,900	—	4,500
Quantity surveyors	4,000	(2,650)	4,700	(3,700)	5,300	(4,250)	—	—	—	—	—
Chemists	3,000	(2,800)	3,900	(3,400)	4,500	(4,300)	3,000	(3,000)	4,100	(3,900)	4,650
Economists and statisticians	3,500	(3,500)	3,850	(4,600)	5,400	(6,500)	—	—	—	—	—
Metallurgists	3,000	(2,950)	3,300	(3,200)	4,100	(3,800)	—	—	—	—	—
Physicists	3,750	(2,800)	4,500	(3,300)	4,800	(4,650)	—	—	—	—	—
Distribution execs.	3,450	(3,000)	4,000	(3,500)	4,950	(4,000)	—	—	—	—	—
Purchasing execs.	3,350	(2,800)	3,850	(3,200)	4,700	(3,750)	4,000	—	4,400	—	5,400

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DLA

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Chief Executive-Personnel
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Please write or telephone for further details and for a personal application form to:

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10 Milk Street, London EC2V 8JH
Tel: 01-600 6020 Ext. 202

The Post Office

Director of Finance

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Salary is negotiable but will reflect the importance of this position. Company car, pension scheme, assistance with relocation if appropriate.

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GENERAL APPOINTMENTS

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The successful applicant for this new post will be used to working under pressure in a fast moving environment and will be expected to show initiative in maximizing income from surplus funds.

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Mr. N. R. Harrison, Financial Director,
THOMSON NORTH SEA LTD.,
16 Stratford Place, London, W.1.
Tel: 01-499 9895

GENERAL APPOINTMENTS

GENERAL APPOINTMENTS ARE CONTINUED TODAY ON THE FOLLOWING PAGE

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Financial Analyst

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There is now a vacancy in the research department of our Amsterdam Office for an experienced financial analyst to assist small teams of consultants on specific client studies. He or she will have developed an ability to use sophisticated techniques to analyze corporate financial data in a conclusion- and result-orientated environment. Familiarity with economic analysis through exposure to banking and/or governmental institutions would be an asset, as would an ability to work to tight deadlines. The candidate should need the professional and personal flexibility to provide guidance and support in the general research area of the department but, above all, would be expected to contribute significantly to our financial and banking consulting practice in the Netherlands, Belgium and Scandinavia.

The successful candidate will meet the following requirements:

- Good, advanced degree in business, economics, mathematics or science (MBA-type preferred)
- Several years' experience in advanced financial research in a corporation, management accounting firm or merchant bank
- Dutch nationality preferred but consideration will be given to non-Dutch candidates willing to relocate to Amsterdam and learn the Dutch language. Fluent English is necessary in view of the international character of our Firm.
- Age about 30.

Qualified candidates are requested to submit, in confidence, a detailed curriculum vitae in support of their application to:

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c. £6000 + Benefits

The Bank: an international "consortium" Bank with the strongest possible financial support and connections, it is still relatively young and very much in a positive growth situation.

The Job: is much less concerned with the day-to-day book-keeping than with the continuous provision to Management of information and advice (including the Tax implications) in respect of the Bank's business, which is principally that of eurocurrency financing. One's responsibility will also extend to the preparation of Final Accounts for the Board and the shareholders.

The Man/Woman: probably in his/her late 20's, must be a qualified Accountant and have experience that should, almost essentially, incorporate some involvement with an international banking operation.

For further details of this position, the prospects and the remuneration package, please telephone—in confidence:— Chiverton, A.I.B. on 405 7711.

David White Associates Ltd.
Hampden House, 84, Kingsway, London, W.C.2.

PA International

Top Marketing Appointment
Far East
c. £25,000

A leading manufacturer and distributor of consumer products with extensive marketing operations through the retail trade in Malaysia and Singapore wishes to recruit an organisationally mature senior executive for the position of Group Marketing Manager. This is one of the most senior and challenging marketing positions in South East Asia. The appointee will be based in Singapore or Kuala Lumpur.
The Group Marketing Manager will have the overall responsibility for product and market planning, sales and distribution, advertising and promotion, market research and training of personnel.
Candidates for this position should have had several years of in-depth and disciplined exposure to a highly competitive market environment. A successful proven record in consumer-oriented marketing at the senior management level is essential. Candidates could already hold a General Manager or Managing Director's position, having risen through the marketing stream. They should be conversant with organisation development processes and up-to-date marketing technology. The successful candidate will probably be above 40 years of age with a good first degree.
The remuneration package for this challenging career appointment will be in the region of £25,000 per annum plus attractive expatriate benefits. Reply to:
PA Personnel Services Ref: SM14/5792/FT.

Managing Director
£15,000

Shield Packaging Limited

Shield Packaging Limited, one of the largest independent integrated printed polyethylene bag and film manufacturers in the U.K., have earned their reputation as a market leader through their expertise in high quality process printing. The Company has grown impressively since its inception in 1970 to a current turnover of around £3 million. In order to sustain this performance and to realise plans for total future development, it seeks a highly experienced, professional Managing Director.
The person appointed will work with the existing highly committed and professional management team in exploiting the Company's first class production facilities by developing existing, and identifying new profitable market opportunities in the U.K. and overseas. The Managing Director will be expected to provide the cohesion necessary to develop the Company further in its plans to increase its market penetration and profitability.
Candidates, male or female, will probably be aged around 45. They must be able to demonstrate a record of success and achievement in a general management role which has exposed them to all aspects of a company's operations and where they have operated autonomously. They should come from a light manufacturing industry, and experience of low density polyethylene. printing or packaging would be particularly useful, though not essential. The ability to work as a member of a highly committed team is necessary together with a capability for developing staff from within.
Total remuneration, including a substantial profit share element is expected to be around £15,000 and given the anticipated future development of the Company, an opportunity for significant equity participation should exist. Fringe benefits which include a car are in line with normal U.K. practice, including help with relocation costs to the Company's head office at Washington, Tyne & Wear. Reply to.
PA Personnel Services Ref: GM45/5791/FT.

General Manager
Marketing
c. £15,000+

The secret of this international company's very fast growth in the U.K. is its expertise in the selection and subsequent concentrated promotion of a variety of consumer products. Turnover is well over £5m. and on track for the £10m. mark, and further extensive expansion is forecast. To spearhead the next phase, an able, fast moving consumer goods marketeer (of either sex) is needed to direct the British company, which is London based. No production facilities are owned at the present time, and the emphasis is on strong marketing leadership for the company, with full P & L responsibility for its success. A thorough exposure to strategic, financial and people planning in an entrepreneurial enterprise is essential and a comprehensive background of above and below the line promotion is expected; age ideally mid-30's.
Remuneration will include the figure indicated as well as a performance related supplement. Reply to:
PA Personnel Services Ref: GM26/5707/FT.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE
Tel: 01-235 6060 Telex: 27874

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, *quoting the reference number on both your letter and envelope*, and advise us if you have recently made any other applications to PA Personnel Services.

N M Rothschild & Sons Limited

Potential Young Merchant Bankers

We are interested in recruiting people who wish to make a career in Merchant Banking.

The vacancies arise due to the expansion of our overseas interests. The successful applicants are likely to be aged between 20 and 25 and to have had some financial experience since leaving school or university. Previous experience in a Merchant Bank would be helpful.

Corporate Finance

Due to continued expansion overseas we have vacancies for an executive within our Domestic and International Corporate Finance Departments. The successful applicants will be aged between 24 and 27 and probably either will already have had experience of Corporate Finance work or will be a qualified Accountant or Solicitor in a leading practice.

Loan Executive (Credits)

We are looking for a young Loan Executive whose responsibilities will include credit analysis, appraisal of lending proposals and the development of client relationships both private and corporate.

The successful applicant will be aged between 24–30 probably with an appropriate professional qualification, and have a thorough grounding in this field. This must include experience of dealing with major clients and a working knowledge of sterling and eurocurrency markets.

Please write with full details of career to date to:

Peter Fane,
N M Rothschild & Sons Limited,
New Court,
St Swithin's Lane,
London EC4P 4DU.

Director

Institute of Practitioners in Advertising

…es O'Connor, Director of the …, retires at the end of 1977. He made the job a very important indeed.

IPA is the professional body representing Britain's advertising agencies and the people who work in them. Over 250 agencies and …0 individuals are members.

The Director both serves the profession and speaks for it, playing a leading role in developments in Britain and abroad.

Mr. O'Connor's successor will be skilled in management, a shrewd negotiator, with a wide knowledge of government, industrial, legal and international affairs. He or she will currently be in advertising or some related field. The salary will be substantial.

John Stork & Partners are advising the IPA on the appointment and will be glad to discuss the appropriate details in confidence. Write with an outline of career progression and salary, or telephone John Stork personally.

John Stork & Partners
International Management Consultants
7-8 Market Place, London W1N 7AG
Telephone 01-580 4907.

Imperial Chemical Industries Limited

PORTFOLIO SUPERVISOR FOR NORTH AMERICAN INVESTMENTS

INVESTMENT ANALYST

The Investments Department of ICI, which manages the assets of the pension funds of ICI's 130,000 employees, has vacancies for:

A PORTFOLIO SUPERVISOR FOR NORTH AMERICAN INVESTMENTS

Applicants should be in their late 20s and possess a degree in the general field of finance or economics. and/or a professional qualification in a similar field. They must have experience of American investments. be familiar with the technicalities of back-to-back loan financing. and be prepared to travel overseas.

AN INVESTMENT ANALYST

Applicants should be in their 20s and possess qualifications similar to the above. The ideal candidate will be interested in the analysis of U.K. equity shares, particularly those in the capital goods sector, and in supervising the investments of one or more small funds. Candidates with a mathematical background will also have the opportunity of participating in the management of fixed interest securities.

Please apply in writing or telephone for an application form to:
Miss J. Poock, ICI Ltd.,
Imperial Chemical House, Millbank, SW1P 3JF. 01-834 4444.

MERCHANT BANKING

S. G. Warburg & Co. Ltd.

Our corporate finance business continues to grow and we are seeking one or two young executives with the potential to make a significant contribution to our business.

Successful applicants are likely to be graduates, aged between 24 and 32, who have obtained a professional qualification in law or accountancy, or a business school degree. It will be an advantage if they have also acquired some relevant post qualification experience, particularly in banking or corporate finance. Fluency in one or more foreign languages would also be an advantage.

Applications, enclosing a concise curriculum vitae, should be sent in confidence to:

G. E. J. Wood, S. G. Warburg & Co. Ltd.,
30 Gresham Street, London EC2P 2EB.

Project Finance

We require an additional member for our Project Finance Department.

The Department provides advice on the best structure and financial package for construction projects throughout the world, as a basis for procuring the necessary finance from the international capital markets. The projects are commonly in the energy, nuclear, transport and industrial fields.

The successful applicant will be in his/her mid twenties and will have had some experience in project finance or related fields, and will probably have a degree and/or professional qualification. Proven skills in numeracy/computer techniques and competence in foreign languages will be an advantage.

Please write giving brief but concise details of your experience and career to date, to:—

The Assistant Staff Manager, Kleinwort, Benson Ltd, 20 Fenchurch Street, London EC3P 3DB

KLEINWORT BENSON
Merchant Bankers

European Tax Specialist

Our client, a US multi national, requires a qualified Tax Specialist to assist the European Tax Manager in all tax matters relating to its European subsidiaries.

Candidates should be educated to relevant degree standard or hold a professional qualification, and be able to demonstrate solid experience and knowledge in European tax matters.

The position offers the opportunity to understudy the Tax Manager's position with the ultimate objective of replacement.

Position located in West London with some travel.

Please write with full details to Position No. ASE 5734, Austin Knight Ltd, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

MANAGING DIRECTOR

Visnews Limited

Visnews is the leading supplier of international newsfilm to the television industry throughout the world. The present Managing Director Mr. Ronald Waldman retires in May of next year and his successor is being sought.

Although the Company has its headquarters in London, the Board sees this as an international appointment and is prepared to offer a level of compensation that will attract the best possible candidates within the television industry, whether from the U.K. or from overseas.

Essential requirements are:

- experience in managing a profit centre within the industry
- a demonstrable track record in achieving targets
- direct exposure to financial and corporate planning and to product development within a technical environment

This is an international appointment involving a fair amount of world travel and it is more than likely that the successful candidate will be cosmopolitan in outlook and will speak more than one language.

Written applications, including a complete resumé, should be sent to:
Andrew Muir (MD/FT), Spencer Stuart and Associates Ltd., Brook House, 113 Park Lane, London W1Y 4HJ,
who are advising on this appointment.

Spencer Stuart and Associates Ltd.
Management Consultants

SENIOR STERLING DEALER

capable of setting up sterling dealing department required by an expanding Middle East bank in the City. Salary £8,000 p.a. plus and fringe benefits. Candidates should submit curriculum vitae to Box A.5741, Financial Times, 10, Cannon Street, EC4P 4BY.

CITY EDITOR

of the Evening Standard seeks energetic and experienced FINANCIAL JOURNALIST of high quality with particular interest in and close contacts with the Stock Market.

Write: 33, St. Bride Street, EC4.

GENERAL APPOINTMENTS

UK Chief Marketing & Sales Executive

for major international consumer goods company

salary negotiable circa £15,000

- The candidate appointed will be based in London and assume full responsibility and authority for marketing the company's products in the U.K.–reporting directly to the parent company's top management in the U.S.

- Applicants should have an exceptional record of achievement marketing consumer goods in a competitive environment at director level.

- The position offers outstanding scope and prospects not necessarily limited to U.K. responsibilities in the longer term. The salary negotiated will be supported by a range of fringe benefits appropriate to this level of appointment.

- Applicants in strictest confidence should provide full career details and be sent to J. M. Swain Esq., Blacket, Gill & Langhams, Solicitors, 9, Staple Inn, Holborn, London W.C.1.

MIDDOWS LIMITED

seek the services of

EXECUTIVE DIRECTOR

with strong background in
PAPER and PAPER BOARD PRODUCTS

A long established export merchant company and member of all Scanfin conventions seeks a highly qualified and experienced trader in paper mill products to take over from the retiring senior director of the London-based head office, incorporated in Canada, exporting predominantly to Commonwealth countries and South-East Asian markets.

In recent years the company has operated in low profile during restructuring of overseas associate companies, but is now poised to enter a period of substantial growth requiring the expertise and drive of a self-motivated executive with strong marketing and technical background in paper and paper board, particularly industrial qualities, as both a buyer and seller having entrepreneurial talents, sound financial experience and judgment, and close working knowledge of export documentation, banking, shipping and insurance.

Experience in other lines of commodity trading could be a decided advantage.

A most attractive remunerative package will be negotiated commensurable with experience and requirements. Candidates are requested to write with full details of their past and present employment history, academic qualifications, industrial and business training, languages, country of birth, marital status, knowledge of markets outside Europe, and any other information considered likely to assist preliminary assessment. All replies will be treated in the strictest confidence and no references will be sought without the candidates prior approval.

Address to: The Chairman, Middows, Limited,
c/o A. L. Philips & Co.,
6 Holborn Viaduct, London.

Interviews by invitation will be held on 29th November 1976, and no applications can be considered after the 24th November, 1976.

GENERAL MANAGER REQUIRED FOR REAL ESTATE COMPANY

Euro Kuwaiti Investment Company (CBS) Kuwait, requires a General Manager for its London Real Estate Office. Applicant should possess the following qualifications:

1) Well experienced in the British real estate market.

2) Knowledge of European market is advantageous having held similar position for a period of at least five years.

3) Should enjoy wide contacts with real estate agents and owners.

4) Should be able to handle other investment projects.

Very good salary and promising future will be granted to the right applicant.

Please call Mr. Saad Sabbagh, Tel: 01-935 9133 or write urgently to Euro Kuwaiti Investment Company, c/o 12 Mandeville Place, London, W.1—for appointment.

ASSISTANT TO MANAGER
COMMERCIAL BANKING
£5,500 +

International Merchant Bank in the City requires a young qualified Banker to assist the Manager of its Commercial Lending department. The requirement is for a person of sound judgment who has had a comprehensive training in all aspects of general banking and who is now ready to take responsibility in a specific area.

It is expected that the successful applicant will be aged 25/30 and will be able readily to meet and assess people at all levels.

Usual Banking benefits apply, and this appointment is open to both male and female applicants.

In the first instance please telephone R. Jordan on 01-623 7317.

BANKING DIVISION
BROOK STREET BUREAU.

CORPORATION LOANS

Peterborough City Council Bonds

A minimum of £10,000 **14%**

A minimum of £1,000 **13½%**

2-3 years

City Treasurer, Town Hall, Peterborough PE1 1HQ
Telephone: 0733 63141 ext. 316

CONTRACTS AND TENDERS

KANO N.E., EJIGBO,
APAPA ROAD SUBSTATIONS

PROJECT MC 3808

Applications to bid are invited for the manufacture, supply, delivery, erection and commissioning including civil work on a turnkey basis of:

KANO N.E.:	132/33 kV outdoor substation including No. 2 transformers 30 MVA, OLTC, substation control building, No. 3 staff houses, No. 3 boys quarters, drinking water tower.
EJIGBO (Lagos):	132/33 kV outdoor substation including No. 2 transformers and substation control building.
APAPA ROAD (Lagos):	132/33/11 kV outdoor substation including No. 2 transformers 45/30/20 MVA three winding OLTC, substation control building, 11 kV switchgear with building or, Alternative: 132 kV SF6 switchgear including above transformers, 11 kV switchgear multi-storey building.

The project will be financed by National Electric Power Authority (NEPA), Lagos, Nigeria. Payments will be made in the currencies quoted by the bidders.

Expenses incurred in Nigeria will be paid in Nigerian currency (Naira) only.

The required completion time for the project is very short and requires a special effort in manufacture, erection and commissioning to keep to the schedule.

Bid documents will be available from December 1, 1976, and may be obtained through a written application accompanied by a cheque for the non-refundable charge of Swiss Francs 500—to the consultants:

Motor-Columbus
Consulting Engineers Inc.
Parkstrasse 27
CH-5401 Baden/Switzerland
Telex No. 54 532 Moco CH
Phone 056 22 94 21

A copy of the application shall be addressed to the National Electric Power Authority. The bid closing date is March 1, 1977.

National Electric
Power Authority (NEPA)
P.M.B. 12030
Lagos, Nigeria

COMPANY NOTICE

JARDINE MATHESON
INTERNATIONAL N.V.
JARDINE, MATHESON & CO., LIMITED

To the Holders of
7¼% Guaranteed Debentures Due 1986 of Jardine Matheson International N.V.

Debentureholders are reminded that under the terms of the Second Supplemental Trust Deed approved at the meeting of Debentureholders on 11th March, 1976, the obligation of Jardine Matheson International N.V., to purchase at par plus accrued interest up to the date of payment (but with a deduction equal to the amount of any unmatured interest coupons not attached to the debentures) any debentures (ex warrants) tendered to it, expires on 15th December, 1976, and holders who wish to tender Debentures for purchase at par must do so by that date.

5th November, 1976.

JARDINE MATHESON
INTERNATIONAL N.V.

LEGAL NOTICES

No. 003602 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BORDEAUX BUILDING & CONSTRUCTION LIMITED and in the Matter of the Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 29th day of October 1976 presented to the said Court by BONHILL BUILDERS LIMITED T/A PROPERTY AID ASSOCIATES, Wessex Craft Centre, High Street, Tisbury, Wiltshire, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 29th day of November 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MURRAY MACLEAN & CO.,
19a Wimbledon Bridge,
Wimbledon,
London, SW19 7NH.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above named not later than four o'clock in the afternoon of the 26th day of November 1976.

No. 003621 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CHAUFFEUR COURIERS (LONDON) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was, on the 1st day of November 1976, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London, EC3R 7HE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 6th day of December 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London, EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 3rd day of December 1976.

No. 003629 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of T. R. GILBERT & COMPANY LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 1st day of November 1976, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London, EC3R 7HE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 6th day of December 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 3rd day of December 1976.

COMPANY NOTICE

CONSOLIDATED COMPANY, BULTFONTEIN MINE LIMITED
GRIQUALAND WEST DIAMOND MINING COMPANY,
DUTOITSPAN MINE LIMITED

(Both incorporated in the Republic of South Africa)

DECLARATION OF DIVIDENDS

NOTICE IS HEREBY GIVEN that the directors of the above-mentioned companies have declared dividends for the half-year ending 31st December, 1976, payable to shareholders registered in the books of the respective companies on 31st December, 1976. The dividends have been declared in the currency of the Republic of South Africa.

Warrants will be posted from the Johannesburg and the United Kingdom Offices of the transfer secretaries on or about 3rd February, 1977. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 25th January, 1977 of the rand value of their dividends (less appropriate taxes). Any such shareholders may however elect to be paid in South African currency, provided that the request is received at the offices of the companies' transfer secretaries in Johannesburg or in the United Kingdom on or before 31st December 1976.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Company	South African Currency Per share
Consolidated Company Bultfontein Mine, Limited	51 cents
Griqualand West Diamond Mining Company, Dutoitspan Mine, Limited	25 cents

By order of the Boards
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
J. C. Greensmith

London Office:
40, Holborn Viaduct,
EC1P 1AJ

Office of United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent, TN24 8EQ

10th November, 1976

CLUBS

EVE, 189, Regent Street, 734 0557. A la carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45, 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 69 Dean Street, London, W.1. STRIPTEASE FLOORSHOW SEX UNLIMITED show at Midnight also 1 a.m. Hostesses. Mon.-Fri. Closed Saturdays. 437 6455.

Our famous erotic Cabaret appears every half hour until the early hours, together with our renowned friendly company and excellent Cuisine. 9 pm-3 am Monday to Saturday. JULIA'S Restaurant Cabaret Club. Enquiries and Reservations. 734 1071 (day) 930 1648 (ev.). 4 Duke of York Street, St. James's, London SW1.

LEGAL NOTICE

No. 003643 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ALICE RONALD LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was, on the 2nd day of November 1976, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London, EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 6th day of December 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London, EC3R 7HE.
Solicitors to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 3rd day of December 1976.

CONTRACTS AND TENDERS

SYRIAN STORING & DISTRIBUTING COMPANY PETROLEUM PRODUCTS "SADCOP"

No. 9364/32

21
Date: 28/10/1976

ADVERTISEMENT FOR CALL OF OFFERS No. 46

The Syrian Storing & Distributing Company, Petroleum Products "SADCOP" announce their need for supply of 12 units of one man operated LPG Filling Unit within the following conditions:

1. Deposits:
Initial Guarantee: 2% Two per cent of offer's value.
Performance Guarantee: 5% Five per cent of award's value.
BANK GUARANTEES confirmed by S.C. Bank or approved cheques.
2. Period of Delivery:
Within shortest possible time.
3. Fine for Delay:
1‰ (One per Thousand) of contracts value for each day of delay.
4. Validity of Offers:
Offers are considered valid for 60 days from date of opening of offers.
5. Delay for Offers:
Offers must be received before end of official working hours of Wednesday, 26th January, 1977.
6. Opening of Offers:
On Thursday, 27th January, 1977, 12.00 Hours noon.
7. Place for Delivery of Offers:
Offers to be delivered to the secretary of SADCOP's Board of Directors, 5th floor, Ministry of Petrol Building, Damascus/Syria.
8. Cahier de Charges:
Obtainable from SADCOP Contract's Dept., versus an amount of L.S.25.00 only.
9. Every offer not complying with any of the above mentioned conditions will be disregarded.

GENERAL MANAGER.
MOHAMED NADIM BADLEH.

GOURMET

GALLIPOLI RESTAURANT. Off Old Broad Street E.C.2. Open every day for lunch dinner and dancing until 3 am—Cabaret twice nightly at 10.30 pm and 1.15 am Mon.-Sat. £6.25 Tel 588 1922.

CHARITY NEEDS YOUR TRUST

CHARITIES AID FOUNDATION, the leading specialists in the administration of tax-privileged funds for charity, provides unique financial services for private individuals and companies . . .

- A trouble-free and, usually, cost-free method of setting up and administering a charitable Trust designed *to suit your circumstances*. For example:—
- LOAN TRUSTS – for those who can lend capital temporarily, even for a few months, the income being distributed to charity *entirely tax-free*.
- DISCRETIONARY TRUSTS – for those who wish to retain complete discretion during their lifetime over the distribution of income from a capital fund or the capital itself.
- GROWTH TRUSTS – a new way of building up your own charitable Trust year by year out of tax-privileged income.

CHARITIES AID FOUNDATION also has long-established covenant services which ensure speedy recovery of income tax for the benefit of charity. And all account holders with CAF can use CHARITY CREDITS, the most convenient way of giving to charity. You write them just like a cheque.

To find out more, please post the coupon below indicating the booklets you require.

To CHARITIES AID FOUNDATION
48 Pembury Road Tonbridge Kent TN9 2JD

Please send me the following booklets:–
THE FACILITIES OF THE CHARITIES AID FOUNDATION – a guide to methods of giving to charity.
TRUST FACILITIES – to help those who wish to give capital to charity.
GIVING TO CHARITY FROM INCOME – a guide for individual donors.
THE BUSINESS SIDE OF GIVING TO CHARITY – a guide for Company Directors.
CHARITY CREDITS – an explanatory leaflet.

NAME
ADDRESS

CHARITIES AID FOUNDATION
Specialists in tax-privileged giving to charity
FT(E)

Entertainment Guide

OPERA & BALLET

COLISEUM. (01-836 3161) ENGLISH NATIONAL OPERA. Tonight 7.30 British Premiere of Ginastera's Bomarzo. Tomor. & Tue. 7.30 Rigoletto. Sat. 7.30 Cavalleria Rusticana & Pagliacci. Wed. next 7.30 La Belle Helene.

COVENT GARDEN. 240 1066. (Gardencharge credit card booking 836 6903). THE ROYAL BALLET. Tonight at 7.30: and Mon. at 7.00: The Country. Monotones. A Month in the Dream. Sat. at 7.30: Swan Lake. THE ROYAL OPERA. Tomor. and Wed. at 7.30: Troilus and Cressida. Tues. at 7.30: Cosi fan tutte. 65 Amphi seats for all perfs. on sale from 10 a.m. on day of perf.

SADLER'S WELLS TH. Rosebery Ave. EC1. 837 1672. Until November 27. THE SALZBURG MARIONETTES. Evgs. 7.30. Mat. Sats. 2.30. Tont. Wed. and Nov. 20, 22, 23, 25 Don Giovanni; Tomor., Tues and Nov. 19, 26 The Seraglio; Sat. Mon. and Nov. 18, 24, 27 The Magic Flute.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mats. Thur. 3.0. Sats. 4.0. IRENE. "LONDON'S BEST NIGHT OUT. SPECTACLE, CAPTIVATING TUNES AND RACY COMEDY." People. IRENE. "SLICK, SUMPTUOUS—THE MUSICAL IRENE HAS EVERYTHING." D. Express. IRENE. NOW BOOKING TO MARCH 1977. CREDIT CARDS ACCEPTED. MAT. TO-DAY 3.0. Seats from £1.

ALBERY. 836 3878. Evenings at 8.00. Mats. Thurs. 3. Sats. 5 and 8.15 sharp. National Theatre production. MICHAEL JAYSTON. EQUUS by PETER SHAFFER. Directed by John Dexter. "STUNNING AND COMPELLING." Std.

ALDWYCH. 836 6404. Inf. 836 5332. ROYAL SHAKESPEARE COMPANY IN REPERTOIRE. Tonight, tomor. Sat. Arbuzov's OLD WORLD. ". . . superlatively played at the Aldwych by Anthony Quayle and Peggy Ashcroft." Guardian. Next week: Chekhov's IVANOV. Evenings 7.30. Mat. Sat. 2.30.

AMBASSADORS. 836 1171. Evgs. 8.00. Mat. Tues. 2.30. Sat. 5.30 and 8.30. NIGEL PATRICK. PHYLLIS CALVERT. ISABEL DEAN. JENNIFER HILARY in Denis Cannan's new play DEAR DADDY. "A FIERY EVENING AND THE MOST SUBSTANTIAL NEW PLAY IN TOWN." Obs. "Clever, Sharp and Amusing." Std. "Constantly exhilarating." Gdn. Dinner and top price seat £6.30 inc.

APOLLO. 01-437 2663. Evenings 8.00. Mat. Thurs. 3.00. Sat. 5.30 and 8.30. "Pauline COLLINS. John ALDERTON are BRILLIANT." D. Exp. in CONFUSIONS. "Super Alan Ayckbourn gives audience such a wonderful evening." Sun. Times.

ARTS THEATRE. Mon. to Thurs. at 8.30. Friday and Saturday at 7.30 and 9.15. TOM STOPPARD'S DIRTY LINEN. "Hilarious . . . see it." Sunday Times.

CAMBRIDGE. 01-836 6056-7040. First Day Dec. 27. Now Booking. JOHN CURRY THEATRE OF SKATING.

COMEDY. 930 2578. Evenings 8.00. Mat. Thurs. 3.00. Sat. 5.30 and 8.30. Winner of all the Awards. BEST PLAY OF THE YEAR. MICHAEL GAMBON in SIMON GRAY'S OTHERWISE ENGAGED. Directed by Harold Pinter.

CRITERION. 930 3216. Tonight 7. Tomor. & Sat. 8.30. Subs. eves. 8. Sat. 5.30 & 8.30. Seats from £1. WARREN MITCHELL tells WHERE ENGLAND WENT WRONG in THE THOUGHTS OF CHAIRMAN ALF by JOHNNY SPEIGHT. "Keeps them in stitches." E. Std. "The appeal of it is appalling." D. Tel. "Never before has one man given it to so many . . . laugh 'til you cry."

DRURY LANE. 01-836 8108. Evenings 8 sharp. Matinees Wed. and Sat. 3.00. A CHORUS LINE. "A RARE DEVASTATING, JOYOUS ASTONISHING STUNNER." Sun. Times.

DUCHESS. 836 8243. Evenings 8.0. Fri., Sat. 6.15 and 9.0. OH! CALCUTTA! "The Nudity is Stunning." D. Tel. 7th SENSATIONAL YEAR.

DUKE OF YORK'S. 01-836 5122. Evenings 8.00. Wed., Sat. 5.00 and 8.45. TERRY SCOTT, JUNE WHITFIELD. A BEDFULL OF FOREIGNERS. "GENUINELY HILARIOUS." Gdn. Dinner and Top-Price Seat £6 inc.

ELLE et LUI. 01-437 2661. Walker's Court, Brewer Street W.1. NIGHTLY 8.15 and 10.15. PAUL RAYMOND presents PENETRATION. An Erotic Adventure in French Pornography. An explicit Multi-Sexual Fantasy. "Good looking men and women perform various permutations of the sexual act." Evening News. You may drink and smoke in the auditorium.

FORTUNE. 836 2238. Mon.-Fri. 8. Sat. 5 and 8. Thurs. 3. Avril ANGERS and Derek BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE. 2nd GREAT YEAR.

GARRICK THEATRE. 01-836 4601. Evenings 8.0. Fri., Sat. 6.0 and 8.40. RICHARD BECKINSALE is "side-splittingly funny." Daily Mail. In FUNNY PECULIAR. "More good laughs than any other play in London." Observer. ADULTS ONLY.

GLOBE. 01-437 1592. Evenings 8.15. Mat. Wed. 3.0. Sat. 6.0 and 8.40. PETER BARKWORTH, PETER JEFFREY and PENELOPE KEITH, "the funniest woman in the West End." Guardian. DONKEY'S YEARS. "MICHAEL FRAYN'S delightful comedy." Evening Standard. "Two hours of bubbling laughter." Daily Mirror.

GREENWICH. Crooms Hill S.E.10. 858 7755. Evenings 7.30. Mats. Sat. 2.30. DIANE CILENTO as THE ARTFUL WIDOW. "Laughter swept the audience in waves." Times.

HAYMARKET. 930 9832. Evenings 7.45. Mat. Wed. 2.30. Sat. 5.0 and 8.15. "A PLEASURE TO WATCH." D. Tel. Googie WITHERS, Susan HAMPSHIRE, John McCALLUM, Clive FRANCIS, Martin JARVIS and Bill FRASER in Somerset Maugham's THE CIRCLE. "I was delighted with this production at Chichester—I am now completely enraptured." Evening News. "Theatrical magic—acting of the highest order." Jack Tinker. Daily Mail.

HER MAJESTY'S. 930 6606. Evgs. at 8.0. Fridays and Saturdays 5.45 and 8.30. IPI TOMBI. "PULSATING MUSICAL." Evening News.

KINGS ROAD THEATRE. 352 7488. Mon. to Thu. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. NOW IN ITS 4th ROCKING YEAR.

LYRIC. 01-437 3686. Evenings 8.0. Mat. Wed. 3.00. Sat. 5.30 and 8.30. SHEILA HANCOCK, JOHN MOFFATT in THE BED BEFORE YESTERDAY by Ben Travers. "Still the funniest comedy in London." Daily Mail. "Wittiest sex comedy of the year." Daily Express.

LYTTELTON (new National Theatre). 928 2252. Today 2.30 (reduced price mat.). Ton't 7.45 BLITHE SPIRIT by Noel Coward. Tomor. 7.45 and Sat. 2.30 and 7.45 Jumpers. Over 100 excellent £1 seats on sale day of perf. from 8.30 a.m. Car park open eve perf.

MAYFAIR. 629 3036. Red. price prevs. [illegible] JOHN SHODDEN, IAN IRELAND in MR. LAUREL AND MR. HARDY (a new play by TOM McGRATH). Seats from £1.10. Dinner/show £5.80.

MAYFAIR. 493 2031. From Dec. 20. Book Now! Daily 10.30, 2.00 and 4.00. SOOTY'S CHRISTMAS SHOW.

MERMAID. 248 7656. Food 248 2835. Evenings 8.0. Matinee Sat. 5.0. FOR KING AND COUNTRY by John Wilson. "If there is a more tragic play, more sincerely and powerfully performed in London, I have not seen it." Evg. News. DINNER/BEST TICKET £5.95 incl. Opening Dec. 16: Harry Nilsson's Musical Fantasy THE POINT with Wayne Sleep and Bernard Miles.

NATIONAL THEATRE. See under OLIVIER AND LYTTELTON.

OLD VIC. 01-928 7616. LAST WEEK—must end Saturday. LEONARD ROSSITER, JOHN STRIDE, DILYS LAYE, JOHN PHILLIPS in PETER BARNES'S FRONTIERS OF FARCE by FEYDEAU and WEDEKIND. "A double smash hit." N. of the World. Evenings 7.30. Mat. Sat. 3.00. Opening November 18. Book Now. THE GHOST TRAIN.

OLIVIER (new National Theatre). 928 2252. Ton't & Sat. 6 sharp TAMBURLAINE THE GREAT by Marlowe. Over 130 excellent £1 seats on sale day of perf. from 8.30 a.m. Car park open evening performance.

PALACE. 01-437 6834. Mon.-Thur. 8.0. Fri., Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR.

PALLADIUM. 01-437 7373. UNTIL SATURDAY. Tonight 8.0. Tomor. 9.0. Sat. 6.30 and 9.0. PETULA CLARK. Special Guest Star MIKE REID.

PALLADIUM. 01-437 7373. Opening Tuesday, Dec. 21. RICHARD O'SULLIVAN as "Buttons." YOOTHA JOYCE, BRIAN MURPHY as Ugly Sisters "Mildred & Georgina" in CINDERELLA. With ROGER DE COURCEY and Nookie, Richard HEARNE, Robert YOUNG, FIONA FULLERTON.

PICCADILLY. 437 4506. Mon. to Fri. 8.0. Sats. 5.30 and 8.30. Mat. Wed. 3.00. Jerome Kern's Hit Musical VERY GOOD EDDIE! "LOVELY to look at, DELIGHTFUL to hear and HEAVEN to watch." S. Exp. "Absolutely enchanting . . . I really loved it." N.Y. Times. Over 250 Perfs.

PHOENIX THEATRE. 01-836 8611. Evenings 8.15. Fri., Sat. 5.45 and 8.45. CARTE BLANCHE. "THE SEXIEST SHOW IN LONDON." "SUMPTUOUSLY STAGED." D. Tel.

PRINCE OF WALES. 01-930 8681. Evenings 8.00. Fri., Sat. 6.00 and 8.45. MICHAEL CRAWFORD, FRANCES CUKA in SAME TIME NEXT YEAR. "SIMPLY GREAT." Daily Mail. "THUMPING FOR CRAWFORD." D. Exp.

QUEEN'S. 01-734 1166. Evenings [illegible] Mat. Thur. 3.00. Sat. 5.00 [illegible] ALEC GUINNESS, NICOLA [illegible] MARK KINGSTON, ANGELA [illegible] in YAHOO. "Spellbinding theatre." Dly. Tel. "Guinness is utterly compelling."

RAYMOND REVUEBAR THEATRE. [illegible] 1593. At 7, 9, 11 p.m. (Open [illegible]) PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76. FULLY AIR CONDITIONED. You may drink and smoke in the Aud[itorium].

REGENT. 323 2707. Evenings [illegible] Friday and Saturday 7.00 and [illegible] THIRD ECSTATIC YEAR. New Cast! New Excitement. LET MY PEOPLE COME. AN ADULT MUSICAL. "Never a dull moment." Evening [illegible] 100 tickets held for sale [illegible]

ROYAL COURT. 73[illegible] Evenings 8.0. Sats. 5.0 and [illegible] NORMAN BEATON in MUSTAPHA MATURA'S RUM AN COCA-COLA. "Very funny." Ev. "A great eve[ning]" See also Theatre Upstairs.

SAVOY. 836 8888. Evenings [illegible] Sat. 5.00 and 8.00. Matinees We[d.] ROBERT MORLEY, GEORGE [illegible] in BEN TRAVERS' BANANA RIDGE. "HILARIOUS SUCCESS." Dly.

ST. MARTIN'S. 836 1443. Eveni[ngs] Mat. Tues. at 2.45. Sat. 5.00 [illegible] AGATHA CHRISTIE'S THE MOUSETRAP. World's longest-ever run. 24[illegible]

SHAW. 388 1394. Evenin[gs] ROMEO AND JULIET

STRAND. 01-836 2660. Eveni[ngs] Mat. Thurs. 3.00. Sats. 5.30 [illegible] Doris Hare, McDonald Ho[bley] Arthur Howard, Barry Ma[illegible] NO SEX PLEASE—WE'RE BRITISH. Directed by Allan Davis. The World's Greatest Laughter [illegible]

TALK OF THE TOWN. 01-7[illegible] FULLY AIR-CONDITIONED. From 8.15. Dining and Dancing. Revue: SWEET TEMPTATION and at 11 p.m. FRANKIE VAUGHAN.

TH. UPSTAIRS. 730 2554. [illegible] JOINT STOCK in LIGHT SH[illegible] BUCKINGHAMSHIRE by Caryl [illegible]

VAUDEVILLE. 836 9988. E[venings] Mats. Tues. 2.45. Sat. 5.30 [illegible] JAN CARMICHAEL, JULIA LOCKWOOD, HUGH PADDICK [illegible] "A DELICIOUS COMEDY." OUT ON A LIMB. "A FEAST OF FUN." Sun. [illegible] "HOOTS OF MIRTH." Dly.

VICTORIA PALACE. 01[illegible] Evgs. 8.0. Fri. Sat. Wed. [illegible] CILLA AT THE PALACE with her friend JIMMY TARBUCK.

WESTMINSTER. 834 0283. [illegible] Mat. Wed. 2.30. Sat. 5.30 a[nd] [illegible] HAPPY AS A SANDBAG. 2nd Year of Delightful Hit. "Wonderful. Don't miss it."

WHITEHALL. 930 6692-7765. [illegible] Sat. 6.00 and 8.45. Mats. [illegible] BRIAN RIX. "MARVELLOUS COMIC" [illegible] Terence [illegible] ALEXANDER [illegible] FRINGE BENEFITS. Supper and Top-price seats [illegible]

WINDMILL THEATRE. [illegible] Twice Nightly at 8.00 and [illegible] PAUL RAYMOND presents RIP OFF. THE EROTIC EXPERIENCE OF THE MODERN ERA. An Entire French Production. "Takes to unprecented limits what is permissible on our stage." Ev. [illegible] may drink and smoke in the [illegible]

WYNDHAMS. 836 3028. [illegible] Fri. 8.00. Saturdays 5.15 and [illegible] Julia McKenzie, Liz Robertson, David Kernan, Ned Sherrin in SIDE BY SIDE BY SONDHEIM. "If you are planning to spend [an even]ing in the musical theatre I urgently suggest you make it Side By Sondheim. If you are to spend two, GO TWICE . . . GO THREE TIMES." Clive Ba[rnes].

YOUNG VIC (by Old Vic). Ton't 7.45 MAN FOR ALL [SEASONS]

CINEMAS

ABC 1 and 2, SHAFTESBURY [illegible] 8861. Sep. Perfs. ALL SEATS [illegible] 1: PICNIC AT HANGING [ROCK] [illegible] RADIO ONE ON THE ROAD [illegible] and Sun. 1.45, 4.40, 7.50. 2: SURVIVE (X). Wk. and [illegible] 5.30, 8.30. Some Scenes M[illegible] Intense for Sensitive People.

CASINO, Old Compton St. [illegible] Sylvia Kristel in EMMANUELLE [illegible] Progs. 2.45, 4.20, 7.25. Late [show] Fri. Sat. 11.15 p.m. (Feature [illegible])

CURZON, Curzon Street, W.1. [illegible] COUSIN COUSINE (AA). [illegible] titles. Progs. at 2.30 (not [illegible]) 6.25 and 8.30. "Quite [illegible] enormously funny." Daily E[xpress]

EMPIRE. Leicester Sq. 437 [illegible] seats may be booked at the [illegible] or by post. THE INCREDIBLE [illegible] (A). Sep. perfs. Progs. 2.30. [illegible]

LEICESTER SQUARE THEATRE [illegible] Neil Simon's Comedy MU[RDER BY] DEATH (A). Sep. progs. Dly. [illegible] 8.30. Late show Fri. & Sat. [illegible]

ODEON HAYMARKET 930 [illegible] TAXI DRIVER (X). Sep. progs. [illegible] 4.45, 8.15. Late show Fri. & [Sat.] Ft times Mons.-Suns. inc. [illegible] 8.50. Late show Ft 12.20. All [seats may] be booked.

ODEON LEICESTER SQUARE [illegible] Richard Harris in THE RETU[RN OF A] MAN CALLED HORSE (AA) [illegible] Sep. progs. daily 2.45, 5.30, [illegible] show Fri. & Sat. 11.45. Seats [bookable] by post or at box office for Mo[illegible] prog. and Sat. and Sun. all [illegible]

...an halts ...Z dairy ...nd lamb ...xports

WELLINGTON, Nov. 10.

...D STORE ban throughout ...Zealand has halted meat ...iry exports.

...stry leaders here fear that ...Zealand might not get its ...year butter and cheese ...ies to Britain in time to ...C quotas, and might miss ...ood pre-Christmas lamb ...in Britain.

...ban was imposed at mid-... after meatworkers and ...xport firms failed to reach ...ent on a daily travelling ...nce and a wage increase ...out to the Industrial Com-... for approval.

...Lawrence Friis, chairman ...New Zealand Dairy Board, ... 30,000 tonnes of butter ...00 tonnes of cheese wait-... be loaded in ships at ...nd, Tauranga and Whan-... less than half have been ... ships.

... Blomfield, executive ...r of the freezing com-... association, in a state-...ppealing to the union to ... ban, said it is the best-... time for lamb overseas ...ent and with prices at a ... Britain.

... Zealand will not be able ...e up losses later in the ... when competing with ...illed lamb.

...est Indies ...uminium ...elter plan

...nute James

KINGSTON, Nov. 10.

...R ALUMINUM has been ... a contract for a 75,000 ... year aluminium smelter ...uilt by Guyana, Jamaica ...inidad, according to in-... sources here.

...sentatives of the three ...ents are to meet in Trini-...er this week for talks ...e company.

...ated cost of the smelter ...S.150m. Jamaica and ... will each have a 33 per ...terest, with Trinidad hav-... per cent. share.

...plant will be fed by ... from Jamaica and ... and will use Trinidad's ... gas as fuel.

...he first part of a regional ...r two smelters, and the ...with a capacity of 150,000 ... per year is earmarked ...ana when that country ...s its hydro power poten-...

Cocoa leads general rise in commodities

BY OUR COMMODITIES STAFF

THE UPSURGE in London cocoa prices accelerated yesterday and terminal market prices ended the day at new all-time peaks. The March futures position closed at £1,966 a tonne, up £69.5 on the day, after climbing to £1,970 at one time. The rise formed part of a general increase in commodity market values which was linked with the higher gold price.

The initial rise in cocoa was encouraged by a strong overnight tone in New York and a £30 permissible limit rise was established soon after the opening of the London market. Heavy trade buying brought further increases and, after a brief pause for breath in mid-morning, the market surged to record levels by lunchtime. The upward trend was maintained for most of the afternoon, but profit-taking trimmed values slightly near the close.

Dealers attributed the increase to continued "regular and genuine" manufacturer offtake in the face of minimal producer sales. Most producers are believed to have sold nearly all their currently-available cocoa and are showing no sign of being tempted to part with the rest at current price levels.

Meanwhile, concern is being noted in some market quarters over Ghana's main crop prospects. This is based on the relatively low level of main crop purchases declared so far coupled with reports that the season will be over by Christmas.

Futures prices also reached new peaks on the coffee terminal market yesterday, with the January position ending £34 higher at £2,285 a tonne. This mainly reflected a sharp rise in internal Brazilian prices, already well above export price levels, which will make life still more difficult for Brazilian exporters. Substantial rises in New York, based on continued roaster buying, lent further strength to the London market.

Sugar prices continued to rise with the March futures position gaining another £2.8 to £136.225 a ton, bringing the rise in the past week to £6.275. In the morning the London daily price was marked up £3 to £123 a ton. Yesterday's rise came despite the authorisation of 38,000 tonnes of white sugar for export at the EEC's weekly tender. This compares with a figure of 30,000 tonnes last week.

There was a general rise in base metal prices on the London Metal Exchange, reflecting the uplift in gold and fears of renewed inflation in the U.S. Silver prices were up sharply too, with the spot quotation being raised by 5.7p to 271.6p an ounce at the morning fixing and climbing to 275.8p by the afternoon close.

Cash tin reached an all-time high after gaining £72.5 to £5,027.5 a tonne on fresh speculative buying interest, despite a fal lin the Penang market overnight.

Copper cash wirebars jumped by £18 to £808.5 a tonne, encouraged by a firmer tone in New York. The market remains volatile, with active trading conditions although consumer buying interest is reported to be still subdued.

Lead and zinc followed the trend set by copper. However, latest figures from the American Bureau of Metal Statistics confirmed that U.S. zinc producer stocks rose duirng October to 88,222 short tons, compared with 73,669 tons at end September and 78,083 tons a year ago.

Sales of stockpile wool curbed

CANBERRA, Nov. 10.

THE AUSTRALIAN Wool Corporation (AWC) has withdrawn from selling stockpiled wool that had been scheduled for resale at auction this week.

Mr. M. L. Vawser, general manager for marketing said that should the wool market weaken further it would be necessary for the AWC to withdraw further quantities scheduled for resale in forthcoming weeks.

Although supplies were available from overseas stocks and other direct sales to meet urgent user requirements, prices for these were being held at the levels previously established he added, reports Reuter.

Later easier prices were again reported at wool sales in Geelong, Sydney and Albany.

Meanwhile, in Sydney, trade sources said wool handlers in brokers' stores in Adelaide had voted to accept a Federal Storemen and Packers' Union recommendation that they lift the present bale weights ban, but Brisbane handlers rejected it.

The votes were the first to be held at wool centres throughout Australia this week following agreement between the Union wool growers, brokers and the Australian Council of Trade Unions on the recommendation to be put to members, they said.

Bigger fines for illegal fishing

FOREIGN POACHERS in British fishing grounds will face harsher fines in the courts under a major review of penalties to be brought before Parliament shortly.

The new fines, under top-level discussion at the Ministry of Agriculture, will also hit Britons who break fishing laws, a Commons Select Committee investigating the industry heard yesterday. Fisheries Secretary, Mr. Julian Kelsey, told the Committee that penalties were last revised eight years ago.

"The value of money and rewards for illegal fishing have changed considerably since then. These factors are very much in the Ministers' minds at the moment," he said.

But he added that even under existing penalties, skippers could face the confiscation of their catch and gear, which could hit harder than the fine imposed.

NAMIBIA

Crisis over falling pilchard stocks

BY JOHN STEWART, CAPE TOWN CORRESPONDENT

FOR THE second time in eight years the R100m.-a-year Namibia (South West Africa) inshore fishery is facing a crisis about a decline in pilchard and anchovy stocks. The South African Government has ordered an immediate scientific investigation and has asked for a report and recommendations not later than February next year.

It had always been thought that the maximum sustainable yield of the Namibian pelagic grounds was well in excess of 1m. tons annually, a catch figure that was achieved with regularity in the 1960s. But it rose to nearly 2m. tonnes in the 1968-69 seasons when South African-owned "factory" ships took nearly 500,000 tonnes.

The heavy onslaught all but destroyed the resource and in the ensuing political infighting, between the Namibian and South African wings of the ruling National party, the factory ships were banished from Namibian waters and stringent conservation measures were introduced. At the same time, a well-equipped research team was ordered to conduct continuous survey work of pelagic migration, spawning and recruitment and a vast area was declared a sanctuary.

Drift back

On the recommendation of fishery scientists, the emphasis of the inshore industry began, from the 1972 season onwards, to shift away from the reduction of the catch into fishmeal and fish body oil to canning, which is not only more profitable but also ensures more conservative fishing effort.

The more thoughtful approach to exploitation of the fishing grounds coincided with a remarkable change in the pattern of availability. Where purse seine catchers in the preceding years often required to steam up to 20 hours to reach the shoals, the fish began to drift back to within two-four hours of the Walvis Bay factory jetties, thereby ensuring that a greater percentage of pilchard landings could be put into cans. In 1974 and 1975 some canners were able to can over 40 per cent. of pilchard landings.

To ensure peaceful recruitment of pilchard stocks, the South African division of sea fisheries applied a "split" quota to the land-based factories of Walvis Bay and Luderitz. The regulations determined that no more than 50 per cent. of the factories' total quota of 945,500 tonnes (nine factories) would consist of pilchards and the remainder of "other" species, although the authorities did allow the pilchard percentage to go to 60 per cent. when there was evidence of great abundance.

A firm restriction, however, was that all fishing had to cease as soon as 50 or 60 per cent. of the total quota had been accomplished in pilchard. This was done to discourage "hunting" expeditions for non-pilchard species later in the season, which inevitably resulted in huge pilchard entrapments which had to be dumped back into the sea with disastrous consequences for the fish.

At the same time matters were complicated for the catching fleet by the sharp decline in non-pilchard species. Because of this, fishmeal production from anchovy landings having peaked at 161,766 tonnes in 1974, slumped to 106,115 tonnes in the 1976 season which ended in August—at a time when the world price was well over $US320 a ton, compared with a "fixed" domestic price of R202 a ton.

The sharp drop in the abundance of pilchard has taken fishermen and scientists by surprise, even though the research programme initiated in 1970 was summarily dropped by the South African Government in 1974 when conditions appeared to be perfect. Because there is no genuine information, theories about the "disappearance" of the fish are as plentiful as fishermen.

Environmental factors clearly may have had something to do with the situation, but while they may have had something to do with the situation, but while they may account for poor availability they do not explain the decline in abundance. Fishermen are, however, heartened by the fact that samplings of the 1976 pilchard catch do indicate satisfactory ratios of year classes (from one to eight), which may mean that stocks are healthy.

Icy currents

Surveys confirmed that warm water was flowing south from the Kunene division, encroaching on the icy currents of the Benguela waters, and comparisons were immediately drawn with the El Nino phenomenon which hit Peruvian anchovy fishing in recent years. An alarming scenario began to emerge.

Normally, Namibian pelagic species migrate south to spawn, usually near Walvis Bay, from where eggs and larvae drift northwards in the cold Benguela current to the sanctuary north of Palgrave point. Because this entails a trip of several hundred miles the fish are big enough to loo kafter themselves by the time they reach the sanctuary. But if the southward spawning migration is inhibited by warm water the worst is feared for young stocks.

South African scientists are confident, however, that they will come up with the answers by the time regulations for the 1977 Namibian season have to be made in February next year.

China may start importing tin

KUALA LUMPUR, Nov. 10.

CHINA, which emerged as a major tin exporter with exports of 12,000 tons in 1975 and about 6,000 tons this year, may soon be a net importer.

After returning from a trade mission to China, Malaysia's Minister of Primary Industries, Datuk Musa Hitam, said: "In our discussions, the Chinese Government indicated in clear terms that in future, tin producers need not have any apprehension over China's action in the tin market," Mr. Musa said.

"It was stressed that China expects to be consuming more and more of its own tin in the light of its industrial growth, and rather than becoming an exporter, China might in future be a net importer of tin."

China also confirmed that they are building a huge tin plate factory in Wuhan, central China, which is expected to be ready by next June.

The Malaysian mission held wide-ranging talks with the Chinese on other primary commodities, and on levelling the trade balance which is heavily in China's favour.

He said China pledged to take more Malaysian products especially rubber, timber and palm oil to reduce the trade gap.

The Chinese bought 5,000 tons of Malaysian rubber last week, and would negotiate "for prompt delivery" 30,000 cubic metres of timber worth $M7m. (£1.5m.).

In the past few weeks, the Chinese have been trying to buy Malaysian palm oil, but the required amount was not available this year due to committed orders. A Chinese team is to visit Malaysia to be better acquainted with the processing and utilisation of palm oil, and a standard contract had been drawn up to ease future sales to China.

The Chinese also assured the Malaysian mission that they would co-operate with the Malaysian Rubber Exchange in providing shipping services for rubber exports, and indicated that its trade corporation would apply for associate membership to the Exchange.

Japan metal market plan

TOKYO, Nov. 10.

Japan should have a Metal Exchange of its own, Mr. Yoshihiro Inai, president of Mitsubishi Metal Corporation, said yesterday.

He said it was needed to curb the effects of wide fluctuations of the copper price on the London Metal Exchange.

Mr. Inai said he realised establishing a Metal Exchange in Japan would require a large amount of funds to support copper prices and liberalisation of Japan's exchange controls to facilitate international trading.

But he claimed the LME price was too low and fluctuates too widely, because of the volatile movement of sterling and speculative activities. He suggested the LME should use the U.S. dollar, or some other stable currency instead of sterling, for transactions and provide a kind of "floor" price for copper.

Reuter

Exchequer boost for State-bred seeds

BY PETER BULLEN

ANOTHER money-spinning successful year was reported yesterday by Britain's National Seed Development Organisation, which promotes and markets seeds and plants bred by State breeding stations.

Since it was set up 10 years ago, the NSDO has generated £8m. in revenue—£2½m. to £3m. of which it has paid to the Exchequer in tax and dividends. In the past year alone it has earned enough to pay the Ministry of Agriculture £875,500 in dividends and shared royalties.

Its pre-tax profit increased by more than 40 per cent. to £672,171 in the 12 months to the end of June due mainly to a jump in royalties from £790,000 to £1.26m.

It also earned a record £435,000 in foreign currencies through sales of, and royalties on, British bred varieties overseas.

In addition to its cash earning success, the NSDO can claim that the marketing of improved varieties of grain, fruit and vegetable seeds is boosting output of home-grown food by many millions of pounds a year.

...OMMODITY MARKET REPORTS AND PRICES

...E METALS

...—Firm on the London Metal ... responding to U.S. and specu-...ences. Although forward metal ...wn from £837 to £835 on trade ... price selling in pre-market ... price picked up afterwards. ...ex opening higher a further ... given to the market, where ... heavy arbitrage dealing and ...ring. A high point for the day of £849 was reached on the Kerb before a slightly easier close of £8[illegible]. Turnover 13,390 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £802.5, 04, 05, three months. £841, 40, 40.5, 40, 39, 38, 37.5, 38, 39, 40, 41, 42, 42.5, 42. Cathodes: Three months, £829, 29.5. Kerb: three months £842, 41. Afternoon: Wirebars cash £808, three months, £844, 43, 43.5, 44, 43, 42.5, 43, 43.5, 44, 44.5. Cathodes: Three months, £831, 30.5, 30. Kerb: Three months, £844, 44.5, 45, 46, 47, 48, 49, 48.5.

	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
[illegible]	805-6	+11½	808-9	+18
[illegible]	841-2	+11½	844-.5	+17.5
[illegible]	806	+12	—	......
[illegible]	793-4	+15	794.5-5.5	+18½
[illegible]	829-.5	+12½	830-.5	+18½
[illegible]	794	+15	—	......
[illegible]	—	......	*70-74	......

TIN—Gained ground with forward metal reaching a record high. Although the Eastern price was down overnight, putting it in line with London's fall on Tuesday, forward metal moved up from an opening of £5,125 on speculative buying with the market gaining momentum from the performance of copper. In the afternoon the speculative interest and stoploss buying caused the price to reach £5,215 before slipping to close on the Kerb at £5,205. Turnover 895 tonnes.

Morning: Standard, cash, £4,975, three [illegible]

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	4985-90	+50	5025-30	+72.5
3 months	5166-70	+25	5206-8	+68.5
Settlement	4990	+50	—	......
Standard				
Cash	4985-90	+50	5025-30	+72.5
3 months	5165-70	+25	5206-8	+68.5
Settlement	4990	+50	—	......
Straits E.	[illegible]			
New York	[illegible]			

[illegible]

GRAINS

HGCA—Ex-farm spot prices Nov. 10. Non-breadmaking milling wheat: Shropshire £82.90, Essex £82.20. Feed wheat: Shropshire £81.75, Essex £80.85. Feed barley: Shropshire £79.20, Essex £79.00.

THE BALTIC—Imported grains were generally neglected with prices mostly [illegible]

SOYABEAN MEAL

Market opened £1 easier in quiet trading conditions, a firmer Chicago prompted London buying and shortcovering awaiting the USDA report on U.S. grain production, reports SNW Commodities.

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

COFFEE

[illegible]

COCOA

[illegible]

RUBBER

[illegible]

SILVER

[illegible]

COTTON. Liverpool—Spot and shipment sales amounted to 151 tonnes, bringing the total for the week so far to 221 tonnes. Scattered dealings brought a little wider turnover but spinners were cautious. Modest operations occurred in Russian, Iranian and Turkish qualities, F. W. Tattersall reports.

LONDON PALM OIL—Steady day with continued firmness due to stronger sterling. Steadiness reflected from Rotterdam physical market where trades reported each month Nov. to March, Frere Fairclough reports. Closing: Dec. 303-298, Feb. 305-298, April 305-306½, June 306½-307, Aug. 300-302, Oct. 310-295, Dec. 310-296. Sales: 9.

PRICE CHANGES

Prices per ton unless otherwise stated

[illegible]

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. q Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C" h Jan.-March. k Oct.-Dec. r Sept. z Metric tons.

East Germany to buy U.S. feed grains

WASHINGTON, Nov. 10.

U.S. OFFICIALS said East Germany plans to buy between 1.5m. and 2m. tonnes of grains annually between now and 1980, reports AP-Dow Jones.

The purchases, they said, will be mainly feed grain to support East Germany's expanding meat production industry.

East German buying intentions were discussed during informal talks between Government delegations.

The officials said that East Germany's grain purchases from U.S. suppliers have varied widely in recent years, but will total about 3.8m. tonnes in 1976. They amounted to about 1.9m. tonnes last year but were only about 300,000 tonnes in 1974.

FINANCIAL TIMES

Nov. 9	Nov. 8	Month ago	Year ago
250.45	52.24	240.50	169.51

(Base: July 1, 1952=100)

REUTER'S

Nov. 10	Nov. 9	Month ago	Year ago
1563.2	1555.6	1528.7	1135.8

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Nov. 9	Nov. 8	Month ago	Year ago
Spot	356.89	355.95	343.37	289.16
Futures	357.10	357.88	346.67	278.53

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov. 9	Nov. 8	Month ago	Year ago
Staple Commodity	816.1	816.3	810.5	745.8

(December 31, 1931=100)

HIDES—London. Firmer. Second clear ox 31-35½ kilos 48.4p per kilo; 26-30½ kilos 51p; 22-25½ kilos 54.8p. Light cows 50p. No calf offered.

U.S. Markets

Cotton and grains fall, metals rise

NEW YORK, Nov. 9.

COPPER AND SILVER closed higher on local buying, touching off Commission House stops. Grains closed lower on corn harvest pressure. Coffee traded higher on continued trade support. Sugar closed higher on local and trade support. Cocoa closed higher on Commission House buying. Cotton closed lower on Commission House selling, Bache comments.

Cocoa—Dec. 140.80 (139.40), March 135.00 (133.40), May 129.85, July 124.45, Sept. 119.20, Dec. 105.70 nom., March 102.90 nom. Sales: 1,251.

Coffee—"C" Contract: Dec. 183.00 (182.75), March 178.30-178.25 (176.90), May 176.40-176.20, July 175.40-175.50, Sept. 174.50-175.00, Dec. 171.50-171.80, March nil. Sales: 709.

Copper—Nov. 59.90 (59.30), Dec. 60.20 (59.60), Jan. 60.60, March 61.50, May 62.50, July 63.50, Sept. 64.50, Dec. 65.70. Sales: 5,100.

Cotton No. 2—Dec. 82.60-82.75 (83.04), March 83.40-83.37 (84.05), May 83.55, July 81.20, Oct. 72.40-72.60, Dec. 67.45-67.65, March 67.50 bid. Sales: 3,550.

†Gold—Nov. 132.70 (same), Dec. 133.20 (133.00), Jan. 133.60, Feb. 134.00, April 135.00, June 136.00, Aug. 137.10, Oct. 138.20, Dec. 139.40, Feb. 140.60. Sales: 6,121.

†Lard—Chicago loose 19.00 (18.75 nom.).

Greasewool—Spot 192.0 nom. (same). Dec. 190.0-193.0 (182.0), March 186.0 bid (186.0), May unquoted.

††Maize—Dec. 245-244 (246), March 252½-252¼ (256½), May 258½-258, July 262-261½, Sept. 259½, Dec. 252.

†Platinum—Jan. 161.60 (161.50), April 164.30 (164.00), July 167.20, Oct. 171.20, Jan. 172.90, April 175.00-175.90. Sales: 630.

††Silver—Spot 435.20 (439.00), Nov. 444.00 (436.80), Dec. 445.10 (438.00), Jan. 446.70, March 450.20, May 454.40, July 458.60, Sept. 463.30, Dec. 471.00, Jan. 473.70, March 479.20. Sales: 45,750.

*Soyabeans—Nov. 659-659½ (667½), Jan. 22.75-22.80 (22.82), March 23.00-22.95, 668, July 664, Aug. 656-658, Sept. 631, Nov. 611-614.

Soyabean Oil—Dec. 22.60-22.70 (22.72), Jan. 22.75-22.80 (22.82), March 23.00-22.95, May 23.00, July 23.00-23.05, Aug. 22.80, Sept. 22.50-22.75, Oct. 22.10, Dec. 22.60-22.05.

bSoyabean Meal—Dec. 182.70-182.50 (184.90), Jan. 184.60-184.70 (187.40), March 187.00-187.20, May 187.20, July 186.00, Aug. 184.00, Sept. 179.50-179.00, Oct. 169.00, Dec. 169.00-169.70.

[illegible]

...NTRACTS AND TENDERS

STOCK EXCHANGE REPORT

Fresh rise in Gilts gives equities a further boost

Share index up 6.9 at 302.7—Gold shares good

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 1	Nov. 11	Nov. 12	Nov. 23
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

With sterling making another firm showing and talk of a reduction in Minimum Lending Rate shortly still in progress, stock markets continued Tuesday's recovery movement yesterday. British Funds again lead the way with prices moving quietly forward to close with fresh gains extending to ⅝. The Government Securities index improved 0.22 more to 57.76 for a two-day gain of 0.57.

Activity in the equity leaders was not particularly lively, but prices were quick to respond to sporadic bouts of buying and by 1 p.m. the FT 30-share index was showing a rise of 10.8. Thereafter, occasional offerings and lack of support left final quotations below the best and the index closed a net 6.9 up at 302.7. The tone in the very late dealings was fully steady.

Secondary issues were not left out of the picture, gains of a few pence being fairly widespread. Bid situations created a reasonable amount of interest, while one or two noteworthy movements developed from company trading statements. The overall improvement was reflected in the FT-Actuaries All-Share index which improved 3.3 per cent. to 129.75.

Gilts extend rally

Gold shares remained in the limelight following a rise of $5.125 to $136.50 per ounce in the bullion price. A useful general demand which included buying from the U.S. in the late dealings left closing quotations at the day's best and the Gold Mines index rose 10.8 to 140.4 for a rise of 23.9 over the last four trading days.

British Funds were undeterred by the hint of a fresh rise last month in money supply and furthered Tuesday's recovery movement. The trend in sterling continued to have a major bearing on the market, encouraging fresh demand which took high-coupon longs up ¾ before a slight softening towards the close. Tightening conditions in the money market acted against renewed buying of shorter maturities, but progress was still made, usually of ⅛-point, with the exception of Treasury 11½ per cent., 1981, which rose ⅜ to 90⅞. Application lists for the two new "tap" issues open to-day, but both stocks are currently still offering less return than comparable existing stocks. Corporations went ahead by a full point in one instance.

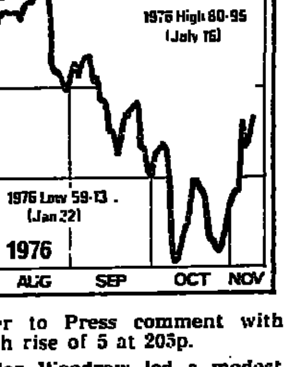
In a moderate two-way trade, the investment currency premium hovered between 117¼ and 119 per cent. before closing unaltered on the day at 118¾ per cent. Yesterday's SE conversion factor was 0.7257 (0.7271).

Discounts up

Discount Houses reflected the further improvement in Gilts, with gains to 15p. Cater Ryder, up to 200p ahead of the statement disclosing a loss in the first half, still ended 10 better at 195p, which the "quite satisfactory" level of profit mentioned in the King and Shaxson statement left the shares 4 up at 42p, after 47p. Leading Banks closed a little below the best with rises ranging to 3. Grindlays provided a small feature in retaining a net rise of 5 at 52p, after 55p, following the Chief Executive's denial of vague bid rumours. Lloyds and Scottish took Hire Purchases better with a rise of 3 to 42p.

Insurance Brokers attracted a little more interest than of late following comment on the prospectus for the introduction of Willis Faber, dealings in which are expected to start next Tuesday. Sedgwick Forbes touched 218p before closnig 8 up at 214p, while Alexander Howden gained 9 to 121p.

Although not particularly active, a useful trade developed in Breweries. Guinness were noteworthy at 104½p, up 4½, along with Allied 2½ dearer at 50p. Outside the leaders, Vaux responded further to Press comment with a fresh rise of 5 at 205p.



Taylor Woodrow led a modest revival in Buildings, closing 10 better at 203p. International Paint improved similarly to 260p, while R. Costain, 114p, H. and R. Johnson-Richards Tiles, 122p, Redland, 71p, and Tunnel "B," 134p, all closed 4 better.

W. H. Smith "A" higher

After touching 299p, ICI closed 11 better on the day at 296p. Fisons rose 10 to 248p.

Anglia "A" reflected news of an American deal with a rise of 3 to 77p.

Stores took the recovery a stage further. W. H. Smith "A," interim results to-day, closed 10 better at 272p, after 274p. Gains of 6 were seen in Gussies "A," 144p, and British Home Stores, 126p, while Debenhams finished 3 better at 54p and UDS closed 4 higher at 46p. Marks and Spencer were finally unchanged at 80p, after 82p. Readicut International responded to the increased first-half profits with a marginal improvement to 20½p. Mail Orders remained neglected and closed with little variation on the overnight prices.

Leading Electricals closed below the day's best following an improved business. EMI finished 3 better at 198p, after 202p, and GEC closed 5 higher at 134p, after 136p. Thorn Electrical were popular, the Ordinary and "A" both finishing 8 higher at the common price of 160p. Decca "A" improved a like amount to 190p, while gains of 4 were seen in Ever Ready, 100p, M.K. Electric 67p, and Ultra Electronic, 46p. Chloride hardened 2 to 87p in front of to-day's interim report, while other firm spots included BSR, up 6 to 83p, and Racal Electronics, 8 to the good at 193p. Against the trend, Plessey shed 2 to 50p; sentiment was still affected by the Post Office's plans to make substantial cuts in its telephone exchange investment programme.

Hawker outshone other Engineerings, moving quickly up to 396p before ending a net 12 higher at 392p. John Brown, 90p, after 92p, and Tube Investments, 276p, after 280p, both gained 5 or so, while GKN eased from a day's high of 239p to close 5 up on the day at 234p. Speculation that a third party could be interested in the Babcock and Wilcox bid situation, now before the Monopolies Commission, carried Herbert Morris up to 135p prior to a close of a net 9 dearer at 132p, but doubts about the offer from Johnson and Firth Brown, unchanged at 41p, succeeding left Dunford and Elliott 3 down at 25p. Desoutter Bros., following withdrawal of the CompAir offer, recovered 7 to 107p, while the latter picked up 1½ more to 58½p. Shipbuildings continued to edge firmer, Swan Hunter closing 3 higher at 38p.

Foods put on a good performance, closing firmly following a good two-way business. J. Sainsbury featured with a rise of 6 to 118p, after 120p, on the better-than-expected interim results. Bejam edged up 2 to 61p on the chairman's encouraging remarks at the annual meeting, while gains of 4 were seen in J. Bibby, 88p, United Biscuit, 105p, and Kinloch, 130p. The prospect of more increases in the price of bread generated a fair amount of interest in Millers. RHM closing 1½ harder at 36p and Associated British Foods finishing 2 better at 45½p. Gains of 5 were recorded in B. Matthews, 90p, and Associated Dairies, 149p, while Rowntree Mackintosh improved 8 to 176p. Supermarkets made modest headway, Tesco closing 1½ better at 26p and Kwik Save finishing 6 higher at 102p. Hotels and Caterers closed with a sprinkling of small rises. Trust Houses Forte edged up 3 to 87p, while Grand Metropolitan, 47p, and Stanneylands, 15½p, put on 1½ apiece. Wheelers Restaurants improved 10 to 100p in a thin market following a Press mention.

Development Securities, a thin market, made further good headway yesterday, jumping 83 to 500p and bringing forth a request from the company to suspend dealings pending the outcome of current discussions "which may lead to a satisfactory proposition to shareholders." The leading Miscellaneous Industrials improved in line with the market. Beecham put on 15 to 323p, while Unilever gained 18 to 402p and Reckitt and Colman touched 310p before ending 11 up at 306p Boots improved 6 to 94p in front of to-day's half-time statement. The price and change given in yesterday's issue in respect of De La Rue were incorrect: the shares, in fact, held at 210p after the interim statement, and yesterday hardened 2 to 212p. Office Equipment shares came into demand with Gestetner rising 6 to 127p, while gains of 4 to 7 were recorded in Office and Electronic, 47p, Kode International, 36p, and Ozalid, 76p. Chubb touched 92p and ended 2 up on balance at 88p following the half-year statement, while the increased dividend and profit left G.R. Holdings 10p better at 215p.

Graff Diamonds rose 3 to 27p on news of the 28p cash bid for the 38 per cent. of the shares not already owned. Other firm spots included Whatman Reeve, 8 up at a 1976 high of 130p, Initial Services and Scottish Universal Investments, both with gains of about 5 at 42p and 55p respectively, and Cape Industries, 10 up at 102p. Toothill were dull at 45p, down 5, while the first-half profit statement left First Castle Securities 2 lower at 14p.

Lucas Industries, still reflecting recent trading news, moved up to 182p before closing 5 better on the day at 180p. Dowty rose 4 to 125p. Crane Fruehauf eased 2½ more to 22p. News that the bid from Fruehauf Corporation of Detroit had been allowed to lapse following the Monopolies reference came after market hours.

General market conditions as much as any other factor aroused fresh demand for North Sea-orientated Newspapers and Thomson rose 6 to 328p, after 330p, while Daily Mail "A" gained 7 to 180p. Elsewhere in the sector, Pearson Longman improved 4 to 89p and East Midland Allied Press "A" hardened 2 to 32p, the latter on increased first-half profits. The probability of cover price increases helped Beaverbrook "A" put on 1 to 30p, while Press comment lifted Morgan Grampian 2 to 98p. Paper/Printings also strengthened, McCorquodale rising 6 to 128p, Bunzl Pulp 4 to 88p and John Waddington a like amount to 90p.

Properties extended the recovery movement of the previous day as hopes strengthened of a fall soon in U.K. interest rates. Land Securities remained in the van at 118p, up 5 more, while Great Portland Estates, 172p, after 174p, Haslemere Estates, 135p, and Chesterfield, 108p, all gained about 6. In a thin market, Hammerson "A" rebounded 10 to 225p. Others worthy of mention included Slough Estates, 4 dearer at 50p, and Land and House, which gained 5 to 53p. Trading news assisted Mountview Estates, 1½ better at 23½p, but Berkeley Hambro fell 7 to 57p after 55p, on the marked first-half setback.

Shell were fairly active in front of to-day's third-quarter figures of the Royal Dutch/Shell group and reached 392p before a close of 6 higher on balance at 388p; overseas influences again affected Royal Dutch, which shed ¼ more to £37¼. British Petroleum rose 8 to 664p despite the absence of U.S. interest, while Tricentrol were a small feature at 74p, up 4. Newspaper comment suggesting an increased offer from BP took Century 3 dearer to 55p.

Elsewhere. Siebens (U.K.) were raised 13 to 110p.

Harrisons and Crosfield remained well to the fore in Overseas Traders, rising 25 to 412p for a two-day gain of 37.

Mendip Investment featured Trusts with a jump of 10½ to 63½p on the announcement that the company has agreed in principle to an amalgamation with Cabot unit trust. The aim and effect of the scheme will be to provide Mendip shareholders with units to the full asset value of the fund, eliminating the recent substantial market discount. Estates House were raised 6 to 167p, while Jersey General closed 5 better at 180p and Dominion and General finished 4 higher at 73½p.

Textiles made a little headway. Courtaulds closed 2 firmer at 77p, after 79p, while Coats Patons rallied 2½p to 47p in front of to-day's interim results. John Haggas firmed 10 further to 260p in a restricted market and gains of 2 were recorded in Nottingham Manufacturing, 48p, Homfray, 45p, and Tootal, 28½p. Wm. Reed hardened a penny to 37p on the increased dividend and profit, but the lower interim figures prompted a fall of that amount in John Bright at 30½p. J. Foster held steady at 14p after the half-yearly statement.

Tobaccos put on a rather uninspiring performance. Nevertheless, BAT's deferred ended 4 dearer at 208p and the Ordinary 3 better at 250p.

Golds sharply higher

The sharp upsurge of $5.125 in the bullion price to $136.50 per ounce, its highest since January 12, followed further talk that the election of Mr. Carter might result in an inflationary trend in the U.S. Also fuelling the rise were reports that the Japanese had bought gold through the Bank for International Settlements at the fourth International Monetary Fund auction on October 28.

The advance in the metal resulted in prices of South African Gold shares moving substantially higher for the fourth consecutive day with
reported as fairly active.
In the afternoon, the
of U.S. markets was foll
a considerable U.S. den
Golds and with shares
here at around the d
levels the Gold Mine
advanced 10.8 to 140.4, it
since July 9 and a four-
of 23.9.
In the heavyweight
ranged to £1½ as in W
fontein, £20, and Ran
£23¼, while among t
priced stocks, Western
on 22 to 180p.
Financials mirrored
although the London-bas
reacted to profit-taking
trading. Gold Fields cl
on balance at 147p, af
Of the overseas-based
Houses, Anglo American
higher at 252p and "
a point up at £16. Co
Platinums were usual
harder, as were Tins.
Australians were
despite the modest fir
overnight home market
ton Areas were a lone h
following the sharp re
half-year earnings, the
proved 5 to 80p.
Elsewhere, Canadian
resulted in Pacific Cop
10 off at 85p and Ne
similar amount down a

FINANCIAL TIMES STOCK INDICES

Nov. 10	Nov. 10	Nov. 9	Nov. 8	Nov. 5	Nov. 4	Nov. 3
Government Secs.	57.76	57.54	57.19	57.86	57.40	58.82
Fixed Interest	57.36	57.08	57.20	57.56	56.83	58.28
Industrial Ordinary	302.7	295.8	291.0	308.7	301.1	[illegible]
Gold Mines	140.4	129.6	129.4	120.1	116.5	127.6
Ord. Div. Yield	7.20	7.38	7.50	7.14	7.31	7.58
Earnings Y'ld % (full)	22.45	23.04	23.16	22.05	22.57	23.42
P/E Ratio (net) (b)	6.53	6.36	6.35	6.67	6.51	6.28
Dealings marked	4,880	4,964	5,815	6,261	4,820	4,386
Equity turnover £m	—	48.66	49.80	65.24	62.21	44.29
Equity bargains total	—	11,100	11,154	14,257	12,444	9,783

10 a.m. 300.4. 11 a.m. 304.0. Noon 303.2. 1 p.m. 305.6. 2 p.m. 306.8. 3 p.m. 303.4.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=8.48.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1952.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (13/1)	55.88 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (2/2)	55.87 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.6 (4/5)	265.3 (27/10)	546.6 (15/5/72)	49.4 (26/6/40)
Gold Mines	446.9 (4/1)	78.8	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 10
Daily—	
Gilt-Edged	220.7
Industrials	147.6
Speculative	47.2
Totals	111.1
5-day Av'r'ge.	
Gilt-Edged	231.6
Industrials	163.7
Speculative	41.5
Totals	121.7

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses show number of stocks per section.

EQUITY GROUPS — GROUPS & SUB-SECTIONS	Wed. Nov. 10 Index No.	Day's Change %	Est. Earnings Yield % (Max) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Tues. Nov. 9 Index No.	Monday Nov. 8 Index No.	Friday Nov. 5 Index No.	Thurs. Nov. 4 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (178)	114.51	+4.3	23.40	8.15	6.32	6.35	109.75	110.98	114.50	111.99	139.55	160.06 (21/4)	100.83 (28/10)	206.57 (4/5/72)	50.71 (13/12/74)
2 Building Materials (30)	97.02	+4.5	23.51	9.93	6.41	6.40	92.80	93.88	97.40	94.90	133.77	150.18 (15/1)	85.53 (27/10)	233.84 (2/5/72)	44.27 (11/12/74)
3 Contracting, Construction (22)	141.40	+5.2	31.66	7.71	4.87	4.87	134.36	137.54	142.41	139.57	257.42	260.20 (15/1)	122.08 (27/10)	389.33 (19/5/72)	71.48 (2/12/74)
4 Electricals (16)	218.98	+5.7	20.38	6.06	7.13	7.34	207.15	208.94	219.16	213.81	245.78	287.30 (21/4)	190.64 (27/10)	350.04 (4/5/72)	84.71 (25/6/62)
5 Engineering (Heavy) (13)	145.47	+5.2	31.91	8.57	4.59	4.52	138.22	139.34	144.05	140.58	158.75	193.18 (3/5)	123.56 (27/10)	202.57 (6/5/75)	64.59 (2/1/75)
6 Engineering (General) (64)	108.35	+3.5	23.62	8.50	6.23	6.22	104.68	105.77	108.19	106.08	120.59	149.29 (3/5)	95.20 (28/10)	168.69 (4/5/72)	45.43 (6/1/75)
7 Machine and Other Tools (9)	49.99	+2.8	19.34	8.89	7.74	7.73	48.65	49.02	49.67	49.08	43.36	60.62 (3/5)	45.29 (11/10)	136.70 (4/7/66)	19.96 (13/12/74)
8 Miscellaneous (24)	99.78	+2.4	21.08	9.01	6.99	6.92	97.47	98.72	99.10	97.31	118.48	141.94 (11/5)	90.23 (28/10)	177.41 (17/4/72)	49.66 (8/1/76)
9 CONSUMER GOODS (DURABLE) (53)	97.61	+4.7	24.91	7.24	6.01	6.00	93.22	94.22	96.56	93.68	115.36	141.46 (21/4)	88.12 (28/10)	227.78 (21/4/72)	38.39 (6/1/75)
10 Lt. Electronics, Radio TV (15)	102.86	+5.4	25.59	5.70	6.30	6.29	97.56	99.35	102.49	98.56	129.73	160.35 (7/4)	87.51 (27/10)	257.41 (19/5/72)	42.85 (13/12/74)
11 Household Goods (13)	108.71	+1.7	27.09	11.03	5.63	5.60	106.91	107.15	107.82	108.16	165.27	187.22 (7/4)	104.50 (28/10)	263.22 (4/5/72)	63.92 (17/12/74)
12 Motors and Distributors (25)	68.16	+4.7	25.98	8.16	5.77	5.77	65.13	65.36	66.75	64.90	67.14	85.16 (3/5)	56.10 (28/10)	170.59 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (170)	116.89	+4.0	19.30	8.32	7.84	7.76	112.38	112.99	117.25	115.35	151.61	162.24 (4/2)	104.41 (27/10)	226.08 (15/8/72)	61.41 (13/12/74)
14 Breweries (15)	121.75	+3.6	19.98	9.43	7.50	7.50	117.56	119.37	122.59	121.09	172.53	179.43 (2/2)	111.17 (27/10)	281.87 (28/11/72)	69.47 (13/12/74)
15 Wines and Spirits (7)	130.19	+0.8	18.13	8.42	8.47	8.47	129.12	129.71	133.91	134.19	157.33	190.67 (5/5)	124.71 (22/10)	257.40 (13/7/72)	78.88 (13/12/74)
16 Entertainment, Catering (14)	143.38	+4.7	18.75	9.36	8.24	8.16	136.95	139.68	144.37	141.69	178.96	211.26 (5/5)	127.11 (28/10)	329.99 (12/12/72)	54.83 (9/1/75)
17 Food Manufacturing (23)	135.60	+3.9	21.02	6.83	7.23	7.18	130.43	130.24	135.01	133.65	166.79	179.44 (11/5)	120.54 (27/10)	211.65 (1/5/72)	59.67 (11/12/74)
18 Food Retailing (16)	109.46	+4.8	17.04	7.16	8.59	8.59	104.48	106.42	108.85	105.80	154.51	150.05 (12/1)	92.79 (28/10)	255.08 (16/8/72)	64.25 (11/12/74)
19 Newspapers, Publishing (16)	174.87	+2.1	14.31	6.08	10.58	10.58	171.28	173.50	177.47	174.03	160.12	184.46 (11/5)	148.46 (12/10)	260.89 (18/1/73)	56.08 (6/1/75)
20 Packaging and Paper (12)	82.10	+2.7	18.72	9.61	8.20	8.20	79.96	80.24	82.50	79.12	100.22	112.50 (28/2)	72.34 (27/10)	135.69 (26/4/72)	48.46 (6/1/75)
21 Stores (34)	91.59	+6.8	16.78	7.77	9.18	9.16	85.80	85.99	90.66	88.09	129.29	136.24 (2/2)	78.47 (26/10)	204.39 (18/8/72)	52.63 (6/1/75)
22 Textiles (24)	103.04	+1.8	18.32	11.32	8.27	7.36	101.19	102.28	105.96	104.44	162.58	183.24 (30/1)	96.76 (27/10)	235.72 (17/1/69)	62.66 (11/12/74)
23 Tobaccos (3)	185.96	+2.5	23.56	9.28	6.31	6.31	181.45	180.92	187.98	187.49	209.57	241.98 (3/5)	167.36 (22/10)	389.16 (28/8/72)	94.54 (13/6/62)
24 Toys and Games (6)	68.12	+1.7	24.30	9.31	5.52	5.49	66.96	66.83	68.06	66.25	63.72	80.95 (16/7)	59.15 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
OTHER GROUPS (95)															
25 Chemicals (26)	174.17	+2.1	18.13	6.61	7.52	7.52	170.61	171.44	175.91	172.99	190.99	231.38 (3/5)	155.10 (27/10)	231.38 (3/5/76)	71.20 (1/12/74)
26 Office Equipment (9)	64.07	+4.3	18.86	8.24	7.75	7.75	61.43	63.92	66.19	63.59	91.53	100.18 (19/5)	58.33 (22/10)	245.06 (1/9/72)	45.34 (2/1/75)
27 Shipping (12)	336.36	+2.3	15.11	7.84	9.44	8.56	328.91	331.29	341.76	338.34	393.56	432.64 (30/1)	308.48 (26/10)	517.00 (5/12/72)	90.80 (29/6/62)
28 Miscellaneous (48)	121.01	+3.3	19.22	9.72	7.82	7.81	117.12	117.90	123.06	120.35	154.55	172.98 (21/4)	108.14 (27/10)	256.83 (2/6/72)	60.39 (6/1/75)
29 INDUSTRIAL GROUP (496)	120.74	+3.7	20.28	8.04	7.28	7.25	116.40	117.29	121.29	118.97	149.59	168.58 (3/5)	107.32 (27/10)	220.17 (16/5/72)	59.01 (13/12/74)
30 OILS (4)	359.35	+1.4	11.85	4.88	9.78	8.99	354.39	352.01	368.70	362.61	332.68	395.84 (20/5)	315.67 (11/10)	451.66 (2/5/69)	87.23 (29/5/62)
31 500 SHARE INDEX	139.80	+3.3	18.67	7.44	7.65	7.52	135.36	136.02	141.00	138.38	164.83	165.00 (3/5)	125.80 (27/10)	227.96 (16/8/72)	63.49 (13/12/74)
32 FINANCIAL GROUP (100)	100.60	+3.8	—	7.81	—	—	96.96	97.19	101.04	97.11	138.85	163.46 (30/1)	87.19 (27/10)	241.41 (11/4/72)	55.88 (13/12/74)
33 Banks (6)	129.54	+1.8	26.08	7.10	5.90	5.90	127.28	125.87	132.31	127.06	169.43	192.16 (23/1)	111.33 (27/10)	288.32 (20/4/72)	62.44 (12/12/74)
34 Discount Houses (10)	129.49	+9.7	—	10.76	—	—	118.05	117.76	122.30	117.62	164.99	186.52 (13/1)	97.72 (12/10)	293.13 (2/5/72)	81.40 (13/12/74)
35 Hire Purchase (5)	61.75	+4.8	11.72	10.62	19.00	19.00	58.91	60.71	60.27	57.47	97.68	132.10 (26/2)	53.25 (27/10)	433.74 (4/5/72)	38.85 (11/12/74)
36 Insurance (Life) (10)	81.78	+4.3	—	9.25	—	—	78.58	79.55	82.77	79.72	126.19	129.46 (30/1)	73.11 (28/10)	194.46 (15/5/72)	44.88 (2/1/75)
37 Insurance (Composite) (7)	78.29	+4.2	—	9.44	—	—	75.15	75.58	78.49	75.26	113.97	113.75 (30/1)	68.99 (28/10)	155.76 (21/4/72)	43.96 (13/12/74)
38 Insurance Brokers (9)	211.74	+5.1	13.87	6.58	10.77	10.77	201.49	203.47	208.82	202.81	227.58	276.90 (11/5)	178.27 (27/10)	276.90 (11/5/76)	65.86 (16/12/74)
39 Merchant Banks (15)	51.82	+3.4	—	8.03	—	—	50.13	50.98	52.62	48.83	87.66	93.83 (27/1)	45.15 (25/10)	278.57 (1/5/72)	31.81 (7/1/75)
40 Property (32)	116.17	+6.0	5.32	4.76	33.99	32.08	109.63	110.17	113.67	110.11	156.70	194.57 (30/1)	95.95 (27/10)	357.40 (6/11/73)	56.01 (20/4/65)
41 Miscellaneous (6)	59.92	+1.3	22.88	13.89	6.59	6.59	59.15	60.47	61.24	60.78	77.63	91.98 (3/2)	55.37 (26/10)	308.18 (18/5/72)	53.29 (17/12/74)
42 Investment Trust (50)	124.28	+2.0	4.25	6.19	24.29	24.29	121.87	124.12	126.88	122.45	171.38	184.55 (30/1)	115.09 (22/10)	245.79 (25/4/72)	71.63 (13/12/74)
43 ALL-SHARE INDEX (650)	129.75	+3.3	—	7.44	—	—	125.63	126.28	130.87	127.88	158.65	172.64 (30/1)	116.29 (27/10)	228.18 (15/6/72)	61.92 (13/12/74)
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (9)	496.55	—	9.49	5.68	15.61	14.19	496.57	488.54	478.30	477.60	398.96	523.40 (7/6)	404.67 (14/1)	585.37 (23/7/75)	84.68 (25/6/65)
45 Teas (8)	126.23	+0.5	33.41	9.74	3.94	3.81	125.64	125.65	126.46	125.02	124.31	142.43 (6/7)	117.89 (7/1)	142.43 (6/7/76)	59.72 (17/10/74)
46 Coppers (3)	146.24	+1.0	44.30	7.66	2.26	2.26	144.82	144.82	143.41	145.15	286.09	301.47 (7/1)	143.41 (5/11)	567.28 (15/7/75)	94.08 (29/4/62)
47 Mining Finance (11)	84.99	+3.2	10.99	5.68	9.99	9.91	82.36	83.25	83.31	81.54	114.08	119.77 (7/1)	77.55 (15/10)	175.80 (28/4/69)	66.31 (30/9/74)
48 Tins (5)	118.58	+0.9	11.93	9.37	12.90	12.73	117.51	117.21	117.01	118.66	92.93	126.36 (11/6)	86.09 (7/2)	126.36 (7/10/76)	54.83 (27/6/70)
49 Overseas Traders (13)	198.20	+2.3	17.23	6.91	7.86	7.85	193.71	192.76	195.40	191.65	214.89	254.47 (3/5)	178.31 (27/10)	254.47 (3/5/76)	97.57 (6/1/75)

FIXED INTEREST	Wed. Nov. 10 Index No.	Wed. Nov. 10 Yield %	Tuesday Nov. 9	Monday Nov. 8	Friday Nov. 5	Thurs. Nov. 4	Wed. Nov. 3	Tues. Nov. 2	Monday Nov. 1	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	15.27	15.38	15.37	15.12	15.34	15.58	15.67	15.66	14.71	—	—	—	—
2 20-yr. Govt. Stocks (6)	43.86	†14.72	43.63	43.42	44.21	43.82	43.14	43.00	43.03	46.85	53.45 (30/1)	42.31 (27/10)	116.42 (11/1/63)	38.27 (3/1/75)
3 20-yr. Red. Deb. & Loans (15)	44.04	†16.66	44.01	44.07	44.07	43.55	43.19	43.09	43.09	46.81	52.40 (21/6)	43.09 (2/11)	113.43 (23/10/63)	37.01 (3/1/75)
4 Investment Trust Prefs. (15)	43.49	15.98	43.41	43.56	43.56	41.49	41.23	41.52	41.19	47.21	51.23 (16/2)	40.54 (2/11)	114.41 (13/8/63)	34.46 (2/12/74)
5 Coml. and Indl. Prefs. (20)	58.52	15.49	57.87	57.87	58.38	57.15	55.99	56.14	55.74	64.45	71.97 (2/2)	54.89 (8/10)	116.96 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
[illegible]	[illegible]	[illegible]	All Other	10/4/62	100.00

† Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p. A record of the indices [illegible] from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Defd.	25p	18	208	+4	225	183
ICI	£1	15	296	+11	402	256
Shell Transport	25p	13	338	+6	462	352
GEC	25p	12	134	+5	168	112
Commercial Union	25p	11	90	+5	158	75
Lucas Inds.	£1	11	180	+5	222	128
Beecham	25p	10	323	+15	390	269
P & O Defd.	£1	10	104½	+½	119	87
BP	£1	9	664	+8	690	557
Boots	25p	8	94	+6	148	79
Cons. Gold Fields	25p	8	147	+6	220	113
Courtaulds	25p	8	77	+2	169	73
EMI	50p	8	198	+3	277	173
GUS "A"	25p	8	144	+6	224	123
Lonrho	25p	8	58	+3	101½	47

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 9	Nov. 22	Feb. 10	Feb. 22
Nov. 23	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22

Calls were dealt in Turner and Newall, Lonrho, Trafalgar House, Grand Metropolitan, Lofs, MEPC, Geo. Wimpey, Hill Samuel, Charterhall Finance, Charrington Gardner, Muirhead, Shell Transport, M.K. Electric, Dixon's Photographic, Peachey Property, Vickers, ICI and Swan Hunter. Puts were done in Bowater, Dunlop and Peachey Property, while doubles were arranged in Shell Transport, Rio Tinto-Zinc, Land Securities, ICI, Shell Transport, Courtaulds and British Land. Short-dated calls were dealt in Lofs and Vickers, and doubles were arranged in Rio Tinto-Zinc, Land Securities, ICI, Shell Transport and Courtaulds.

Industrials		E.M.I.	17	Midland Bank	22	Cap. Counties	5
A. Brew	5½	Fitch Lovell	6	Nat'l West Bank	20	E.P.	6
A. P. Cement	15	Gen. Accident	12	"Do" Warrants	7½	Int. Europe	7
Assoc. Leisure	5	Gen. Electric	13	P & O Dfd.	11	Land Securities	14
BSR	9	Glaxo	35	Plessey	7	MEPC	7
Babcocks	8	Grand Met.	7	R.H.M.	5	Peachey	6
Barclays Bank	22	G.U.S. 'A'	16	Rank Org. 'A'	18	Samuel Props.	4½
Berry Wiggins	5	Guardian	18	Reed Int'l	25	Town & City	2½
Beecham	28	G.K.N.	25	Reyrolle	11		
Boots Drug	12	Hawker Sidd.	35	Rothmans	4	Oils	
Bowaters	16	House of Fraser	8	Slater Walker	4	Brit. Petroleum	40
B.A.T.	21	I.C.I.	20	Spillers	4	Burmah Oil	4½
British Leyland	5	"Imps"	7	Tesco	4	Shell	27
BOC Int.	5½	I.C.L.	14	Thorn 'A'	22	Ultramar	14
Brown (J.)	9	Invaresk	7	Trust Houses	9		
Burton 'A'	6½	Legal & General	12	Tube Invest.	7	Mines	
Cadburys	5	Ladbroke	11	Unilever	36	Charter Cons.	15
Cavenham	10	Lex Service	5¼	Utd. Drapery	8	Chart'rhll Fin.	4
Courtaulds	11	Lloyds Bank	22	Vickers	15	Cons Gold	15
Debenhams	8	"Lofs"	4	Williams Hud'n	4	Hampton Areas	12
Distillers	15	London Brick	4½	Woolworths	6	Lonrho	19
Dunlop	7½	Lucas Inds.	20			Rio T. Zinc	18
Eagle Star	11	"Mams"	7	Property		Western M'ng.	7
		Marks & Sp'ncer	8	Brit. Land	5½		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained New Highs and Lows for 1976.

NEW HIGHS (9)

CORPORATION LOANS (1)
Bristol 6½pc 1975-77
BANKS (1)
Grindlays
BEERS (1)
Teacher (Distils.)
ENGINEERING (1)
Morris (H.)
HOTELS (1)
Wheeler's
INDUSTRIALS (4)
Anglo Am. Asphalt — Renown Inc.
Graff Diamonds — Whatman Reeve Angel

NEW LOWS (10)

AMERICANS (2)
Chesebrough-Ponds — I. Intl.
ENGINEERING (5)
Aurora — Kershaw (A.)
Eeson — Rennies Cons.
Firth (G. M.)
INDUSTRIALS (1)
Toothill (R. W.)
PAPER (1)
Assoc. Paper
TRUSTS (1)
Atlanta Baltimore

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	54	1	6
Corporations Dom. and Foreign Bonds	29	—	32
Industrials	594	134	945
Financial and Prop.	289	28	256
Oils	12	8	16
Plantation	3	2	33
Mines	76	7	42
Recent Issues	8	3	28
Totals	1,045	181	1,354

Benn for F
conference

British Policy for t
development and explo
deep sea energy suppli
outlined by Mr.
Wedgwood Benn, Secr
Energy, at a Financ
conference, "Oil fr
Waters" at the B
Metropole Hotel on D
and 8.
The conference coi
the Offshore Internatio
tion at the National
Centre, Birmingham, a
hear the views of Mr.
Minister of Industry, I

BASE LENDING RATES

Allied Irish Banks
American Express B
Anglo-Portuguese B
Henry Ansbacher
Banco de Bilbao
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone
Barclays Bank
Barnett Christie Lt
Bremar Holdings
Brit. Bank of Mid. E
■ Brown Shipley
Canada Permanent
Capitol C & C Fin.
Cayzer, Bowater Co.
Cedar Holdings
■ Charterhouse Japhe
C. E. Coates
Consolidated Credit
Co-operative Bank
Corinthian Securitie
Credit Lyonnais
G. R. Dawes
Duncan Lawrie
Eagil Trust
English Transcont
First London Secs
First Nat. Fin. Corp
First Nat. Secs. Ltd.
■ Antony Gibbs
Goode Durrant Trus
Greyhound Guarant
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Hongkong & Shang
Industrial Bank of Sc
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westmins
Norwich General Tr
P. S. Refson & Co.
Rossminster Accept
Royal Bk. Canada Tr
Schlesinger Limited
E. S. Schwab
Security Trust Co. L
Shenley Trust
Standard Chartered
Trade Development
Twentieth Century
United Bank of Kuw
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepti Committee.
* 7-day deposits 11%, 1-mon 11½%.
† 7-day deposits on sums of under 11% up to £25,000 over £25,000 11¾%.
‡ Demand deposits 12%.
† Call deposits over £1,000

CORAL INDEX
Close 298-303

MONEY MARKET

Interest rates easier

Bank of England Minimum Lending Rate 15 per cent. (since October 7, 1976)

Short-term fixed period interest rates tended to decline in the London money market yesterday. Discount houses buying rates for three-month Treasury bills were 14⅞-14¾ per cent., indicating a possible fall in Bank of England Minimum Lending Rate on Friday, but it is by no means clear whether the authorities would be content to see a fall in Minimum Lending Rate at present.

Day-to-day credit was in good supply and the authorities did not intervene. Banks carried forward surplus balances, Government disbursements exceeded revenue payments to the Exchequer, and there was a fall in the note circulation.

On the other hand repayment was made of the previous day's official advances to the market, settlement was made of gilt-edged sales, and there was a net market take-up of Treasury bills.

Discount houses paid 14½-14¾ per cent. for secured call loans in the early part and closing balances were taken at 13-14 per cent.

In the interbank market overnight loans opened at 14¾-14⅞ per cent. and ranged between 14¼ per cent. and 14¾ per cent., before touching 15 per cent. and closing at 12 per cent.

Rates in the table below are nominal in some cases.

Nov. 10 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	12-15	—	—	—	14¾	15-14¾	—	—	—
2 days notice	—	—	14⅝-14¾	—	—	—	—	—	—	—
7 days or 7 days notice	—	14¾-15	14¾	—	15-15¼	—	14⅞-14¾	—	—	—
One month	14⅞-14¾	14¾-14⅞	14¾-14⅞	15½-14¾	15⅛-15¼	—	14⅛	14⅜-14½	14⅝-14⅞	15¼-15½
Two months	14⅜-14½	14¾-14⅞	—	15⅛-14⅞	15⅛-15½	—	14¼-14⅜	14⅜-14½	14⅝	15¼-15
Three months	14⅝-14¾	14½-14⅝	14¾	15½-14⅝	15-15⅛	—	14⅛	14⅜-14½	[illegible]	15¼-14⅞
Six months	14-13¾	13⅞-14⅛	14¼-14⅜	15½-13¾	14½-15	—	—	—	13⅞-13⅞	15¼-14⅞
Nine months	13⅞-13¾	13¾-14	—	14⅛-13¾	15	—	—	—	—	—
One year	13⅞-13⅞	13⅝-14	14⅛-14⅜	14⅛-13⅝	15	—	—	—	—	—
Two years	—	—	14⅛-14⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authorities mortgage rates nominally three years 14¼-14½ per cent.; four years 14½-14¾ per cent.; five years 14¾-14⅞ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. [illegible] bill average tender rates of discount 14.2042 per cent.

INSURANCE BASE RATES

† Atlantic Assurance
Cannon Insurance
† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)

5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	49.6	52.1	.....	6.85
Income Tst.	48.6	51.8	.....	9.11
Int. Growth Fd.	51.8	55.0	.....	4.20
Do. Accum.	51.3	55.0	.....	4.20

Friend's Provdt. Unit Tr. Mgrs.♥

Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	24.1	25.7	+1.1	6.70
Do. Accum.	29.5	31.5	+1.3	6.70

REGIONAL MARKETS

...ion of the share prices previously shown under regional headings is ...elow with quotations on London. Irish issues, most of which are not ...ted in London, are shown separately and with prices as on the Irish

						IRISH		
			Higsons Brew.	62	.....	Conv. 9% '80/82	277½	+¼
...0p	16	.....	I.O.M. Stm. £1	125	.....	Alliance Gas	46xd	.....
	34	.....	Holt (Jos.) 25p	182	.....	Arnott	190	.....
	21	.....	Kleen-e-Ze	31	.....	Carroll (P.J.)	93	−2
...0p	122	+2	Lovell's Ship £1	138	.....	Clondalkin	33	.....
	24	.....	N'thn. Goldsmith	22	.....	Concrete Prods.	40	.....
	350	.....	P.M.A.	24	.....	Heiton (Hldgs.)	22	.....
	20	.....	Pearce (C. H.)	85	.....	Ind. News	35	.....
	65	.....	Peel Mills	11	.....	Ins. Corp.	148¼	.....
	22	.....	RobbCaledon5p.	58	+2	Irish Distillers	39	.....
	8	.....	Sayers 12½p	15	.....	Irish Ropes	83	.....
	53	.....	Sheffield Brick	73	.....	Jacob	45½xd	.....
	16	.....	Sheff. Refrshmt.	130	.....	Sunbeam	10	.....
	300	.....	Shiloh Spinn.	21	.....	T.M.G.	68	.....
...0p	6	.....	Sindall (Wm.)	49	.....	Unidare	42	.....

...DERS AND LAGGARDS

...ing table shows the percentage changes* which have taken place ...er 11, 1975, in the principal equity sections of the F.T.-Actuaries ... It also contains the F.T. Gold Mines Index.

...	+25.43	Consumer Goods (Non-durable) Group	−24.73
...	+23.27	Breweries	−25.94
...nes	+ 7.78	Wines and Spirits	−26.24
...	+ 6.94	Entertainment and Catering	−26.31
...	+ 6.11	Food Retailing	−27.02
...and Publishing	+ 5.32	Mining Finance	−27.21
...s	− 4.42	Investment Trusts	−27.73
...Distributors	− 6.48	Office Equipment	−25.65
...rokers)	− 7.92	Financial Group	−28.72
...	−16.72	Electronics, Radio and TV	−28.76
...	−13.63	Insurance (Composite)	−28.82
...lers	−15.01	Stores	−30.49
...	−15.33	Discount Houses	−32.55
...Heavy)	−15.40	Insurance (Life)	−33.24
...General)	−16.03	Building Materials	−33.49
...	−17.78	Household Goods	−36.54
...	−18.00	Property	−37.17
...turing	−19.68	Textiles	−37.97
...	−20.53	Merchant Banks, Issuing Houses	−41.24
...up	−22.38	Hire Purchase	−43.15
...ds (Durable) Group	−22.61	Coppers	−44.61
...Group	−22.72	Gold Mines FT	−45.55
...	−23.15	Contracting and Construction	−45.57
...f Paper	−23.21		

* Percentage changes based on Tuesday, November 9, 1976, indices.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

Warburg Invest. Mngt. Jrsy. Ltd.

1 Charing Cross, St. Helier, Jsy. CI. 0534 29741

CMF Ltd. Oct. 28	$US9.56	9.82	.....	—
CMT Ltd. Oct. 28	£9.13	9.37	.....	—
Metals Tst. Oct. 21	£12.33	12.63	.....	—
TMT Oct. 14	$US10.25	10.51	.....	—
TMT Ltd. Oct. 14	£10.34	10.61	.....	—

World Wide Growth Management♦

10a, Boulevard Royal, Luxembourg.

WorldWideGth.Fd.	$US11.25	−0.04	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. # Suspended. † Single premium insurance bonds. ♦ Yield before Jersey tax.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	1976 Low	Stock	£	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
101½	99¾	Treasury 10½pc 1976‡	99¾	−⅛	10.55	13.96
96⅝	95½	Treasury 6½pc 1977‡	97¼		6.39	13.39
97¼	94½	Electric 3pc '74-77	97⅝		3.08	11.39
103½	97½	Treasury 11½pc 1977‡	98½		11.70	13.56
97⅝	91⅞	Treasury 3pc 77-78	97⅞xd		3.20	9.50
95⅝	92¼	Treasury 4pc 1977-78	93¾		4.27	10.14
99¾	90½	Treasury 9pc 1978‡	95		9.43	12.79
101½	93⅞	Treasury 10½pc 1978‡	95		10.96	13.71
93⅞	89⅝	Exch. 5pc 76-78	90¾		5.53	10.79
103½	92¼	Treasury 11½pc 1979‡	94	+¼	12.13	14.19
98¼	92½	Treas. 11½pc 79	94	+¼	12.14	14.21
88⅞	82¼	Treasury 3pc 1979	82⅝	+⅛	3.63	10.16
89⅞	82¼	Electric 4½pc 74-79	83⅝	+⅛	5.08	11.03
100½	93⅞	Treasury 10½pc 1979‡	91xd		11.50	14.19
85¼	82¼	Electric 3½pc 76-79	85⅝xd	+3⅛	4.24	10.36
96½	84½	Treasury 9pc 1980‡	86½		10.43	14.32
96½	84⅝	Treasury 9½pc 1980‡	86xd	+¼	10.95	14.49
86	78¼	Treasury 3½pc 77-80	79xd		4.41	11.75
89½	80	Funding 5½pc 78-80‡	81		6.45	11.75
103½	85½	Treasury 11½pc 1981‡	90	−⅛	12.68	14.50
86	76¼	Treasury 3¼pc 1979-81	77	+⅛	4.53	10.22
95⅝	82½	Treasury 9½pc 1981‡	85		11.43	14.36
		Five to Fifteen Years				
94¼	79⅞	Treasury 8½pc '80-82‡	82¼	−¼	10.68	14.35
70½	69¼	Treasury 3pc '82‡	70½		4.29	10.63
		Treasury 14pc 1982	£96¼		14.25	14.49
107¼	88⅞	Treasury 12pc 1983‡	91⅞	−¼	13.40	14.55
81½	69⅝	Funding 5½pc '82-84‡	71¼	+⅛	7.92	11.94

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 26¼% (based on $US1.6315 per £)

Conversion factor 0.7287 (0.7271)

CANADIANS

S.E. List Premium 26¼% (based on $1.5918 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE

PROPERTY—Continued

TRUSTS—Continued

TRUSTS—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

1976 High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's
85	35	Botswana RST R2	45	+1	—	—	—
335	155	Messina R0.50	170	+5	†Q35c	1.9	14.9

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p.	9	......	0.1	ф	1.8
35½	15½	Charterhall 5p	19	......	—	—	—
990	550	Cons. Murch. 10c	580	+10	†Q80c	1.8	10.0
350	245	Northgate C$1	320	–10	—	—	—
239	152	R.T.Z.	153xd	+1	g5.96	2.1	6.0
112	67	Sabina Inds. C$1	72	–3	—	—	—
£15¾	£10	Tara Explo. $1	£13	......	—	—	—
45	32½	Tehidy Minerals 10p	38	......	†h1.08	ф	4.4
145	84	Yukon Cons. C$1	119	–3	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Sterling denominated securities which include investment dollar premium.
- "Tap" Stock.
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ф Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Free of Stamp Duty.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Excluding a final dividend declaration.
- Regional price.
- No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 22

FINANCIAL TIMES
Thursday November 11 1976

Inquiry into bulk discount system for retailers

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

A WIDE-RANGING inquiry into the whole system of suppliers giving bulk discounts to retailers may be carried out by the Monopolies Commission following the publication yesterday of the *Commission's report on the* frozen food industry.

The Office of Fair Trading has been under pressure from small retailers to carry out such an investigation for some time and yesterday's report may well help to set the ball rolling.

The report in general was not critical of the frozen food producers and cleared Birds Eye, the Unilever subsidiary, of exploiting its monopoly position in the market. But it questioned the merits of some of the discount arrangements used in the industry, particularly when they were not directly related to cost savings involved in servicing the larger customers.

The Commission recommended that only one of these practices should be abandoned by Birds Eye—and then only if its competitors took the same action.

But it seems likely that the Office of Fair Trading may want to take a closer look at the whole issue of bulk discounts, which are common not only in the frozen food industry but in the whole food industry as well as *many* other retailing sectors.

Any such reference to the Monopolies Commission would have to be made by the Department of Prices and would be along the lines of other general references, such as the inquiry into recommended retail prices.

Such an inquiry could not in itself result in a change in the law, but it would give an opportunity for those who believe discounts in this country should be related to costs savings, as in America, a chance to express their views.

The Commission yesterday found that Unilever had a monopoly of frozen food sales in that it had more than a quarter of sales.

The report, which was welcomed by all the major companies involved, said that Birds Eye's efficiency and innovation were above average and that profits were not excessive.

It concluded, however, that Birds Eye's policy of rewarding retailers who reserved cabinet space for its products with bigger discounts was acting against the public interest.

It recommended that this form of discounting should be discontinued by Birds Eye—but only if the company's major competitors, Imperial Foods and *Findus, took* the same action.

Mr. Roy Hattersley, the Secretary of Prices and Consumer Protection, said that he had asked the Director General of Fair Trading to discuss the report's *recommendations* on discounts with the frozen food companies.

The Director General would also confirm that Birds Eye had stopped making loans of refrigerated cabinets to retailers who agreed to stock its products—another practice which the Commission queried.

Birds Eye said yesterday that it had already changed its discount structure and that it *welcomed the* report *which confirmed* that the company had never exploited its position as the country's biggest producer of frozen foods.

Details, Page 11

Davies is Tories' Brussels choice

By Reginald Dale, European Editor

THE TORY Party is *recommending that* Mr. John Davies, former Director-General of the Confederation of British Industry and a Minister in the Heath Government, should be the second British EEC Commissioner when a new Commission is installed in Brussels under the presidency of Mr. Roy Jenkins in January.

Mr. Davies's name, alongside that of Sir Peter Kirk, leader of the Tory *delegation to the European Parliament* in Strasbourg, has frequently cropped up in speculation over the Brussels post in the past few months. But it was not until yesterday that it was confirmed he had his party's official backing. *Mr. Davies* has been MP for Knotsford since 1970.

The Government agrees that the second Commissioner must be acceptable to the Conservatives, but it has not yet made up its mind on Mr. Davies.

Mr. Jenkins will also be consulted on the appointment. But the Government does not plan to allow him the right of veto either. If Mr. Davies is deemed unsatisfactory, the Government will hold further consultations with the Tories on an alternative candidate.

The Tories argue that *Mr. Davies is highly qualified* for the job through his experience both of industry and of European affairs. He specialised in EEC matters as Chancellor of the Duchy of Lancaster in 1972-74 and speaks fluent French.

Government cuts butter and cheese subsidies

By Elinor Goodman and Roy Rogers

REDUCED SUBSIDIES, leading to higher prices for butter and cheese, were announced yesterday within hours of an unsuccessful attempt by the TUC to persuade the Government against *such action*.

The only consolation that Mr. Roy Hattersley, the Prices Secretary, could hold out of a 90-minute meeting with the TUC economic committee yesterday was the *prospect of maximum* price levels being set on certain key areas of family expenditure including perhaps beer, bread and children's clothes.

The Government will save *£110m. by taking 3p a pound off* the butter and cheese subsidy. This will affect shop prices from the end of this week. Together with price rises already in the pipeline cheese could increase by 6p a pound. The milk subsidy has apparently already been accounted for in a scheduled 1p a pint increase.

At his meeting with the TUC Mr. Hattersley pointed out that there were a number of prices beyond Government control—those determined by depreciation of the pound and world commodity prices. There were also areas of "maximum dilemma" where it would be impossible to *restrict prices without affecting* investment or jobs. Children's shoes fell into this category.

FLEXIBLE

TUC leaders were told that Mr. Hattersley was looking for *a more flexible approach* to price controls with more attention being paid to the proportion of price rises devoted to new investment.

Praise for the Government's firm stand in negotiations on the Green Pound were expressed by the TUC leaders who are, however, still very unhappy about the prices situation.

Several members of the economic committee expressed a view that any surge in prices would make negotiations for a further stage of pay policy more difficult. But Mr. Len Murray, the TUC general secretary, stressed after the meeting that *there was no talk of abandoning* wage restraint.

Dunford agrees on £6m. plan with institutions

BY TERRY WILKINSON, CITY STAFF

PROPOSALS FOR a £6m. financial reconstruction of Dunford and Elliott, the Sheffield steel and engineering company, have been agreed with the company's institutional shareholders, in preference to those made by the State-owned National Enterprise Board.

It is not clear at this stage how, or whether, the agreement will affect institutional thinking on the £3.4m. bid, made on Monday, by Johnson and Firth Brown for Dunford and Elliott.

Mr. Ronald Artus, joint secretary and investment manager of Prudential Assurance, which is leading a consortium of institutional shareholders including the ICI and Imperial Tobacco pension funds, said yesterday that the proposals were "meant to put Dunford in a position to defend themselves adequately without commitment on either side."

He said that the JFB bid was "a separate matter on which consortium members would act individually."

Details of the reconstruction package are not complete but they will include a £3m. rights issue of convertible preference shares, underwritten by Prudential, Equity Capital for Industry, and the bank-backed Finance for Industry.

In addition, Dunford's principal bankers, Citibank, Grindlays, and Lloyds, have agreed to advance £3m. of loan finance and reschedule a proportion of short-term loans into the longer term.

Talks dealing with Dunford & Elliott's financial position began in the summer with Equity Capital for Industry, which is now likely to emerge with an 8 per cent. stake in the company, and brought approaches from both N.E.B. and institutional shareholders.

N.E.B.'s proposals, which could have resulted in their taking a stake of up to 30 per cent. in Dunford, have been rejected in favour of a private sector City solution.

Dunford's share price fell by 3p to 25p on the Stock Exchange yesterday, compared with a bid price of 33p. Johnson and Firth Brown was unchanged at 41p.

EEC makes anti-dumping move against Japanese bearings

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Nov. 10.

THE EEC Commission announced to-day that it is opening anti-dumping proceedings against imports of ball bearings and tapered roller bearings from Japan. The bearings, it alleges, have been sold in Europe at prices substantially below those charged on the home market.

The Commission's action, following a formal complaint by European bearing manufacturers last month, is clearly intended as a warning before two sets of important talks it will hold with Japanese officials over the next week on a wide variety of sensitive trade issues.

The Commission said it hoped for an amicable settlement to the action, under which the Japanese industry would undertake to raise bearing export prices to an agreed minimum level. But if no settlement was possible, Brussels would be ready to consider imposing anti-dumping penalties.

The Commission has documentary evidence which, it claims, shows that Japanese bearings being sold in the EEC for 26 to 52 per cent. less than the domestic market price. The dumping margin varies according to country and bearing size.

Between 1974 and 1976, the Commission states, Japan's share *of the EEC ball bearing market* has rise from 12 to 16.8 per cent.—a jump of 40 per cent.—while its share of the tapered roller bearing market has more than doubled to 5.3 per cent.

Over the same period, the number of people employed in the European industry has fallen by 5,000.

The anti-dumping action hints of the tough approach that the Commission will take when it meets officials of the Japanese Ministry of Trade and Industry for talks in Brussels on Monday and Tuesday.

The Japanese team is certain to be pressed again to consider ways of reducing the growing deficit in trade with the EEC, which is expected to exceed $4bn. this year.

There is particular concern at intensified Japanese competition in sectors such as cars, steel, electronic products and ship-*building, though the bearings* market is the only one in which the Commission is understood to have firm evidence that dumping has occurred.

The Commission is also keen to ask the Japanese about recent statements by Government and business leaders in Tokyo showing their readiness to consider steps to increase Japan's imports from the EEC.

Such a course of action is re-*garded in Brussels* as the best long-term method of reducing the trade imbalance.

U.S. export incentives condemned

By Ian Davidson

TAX INCENTIVES for U.S. exporters introduced under President Nixon are not merely in breach of international rules against export subsidies, but may be responsible for boosting American exports this year by about $9bn.

These are two of the main findings of a panel which will *report to-day to the council of* the General Agreement on Tariffs and Trade in Geneva, the international body which sets the rules for international trade.

The panel has also condemned certain tax concessions granted to French, Belgian and Dutch exporters.

The substantial tax concessions to U.S. exporters are available to companies which channel their exports through specially created *export subsidiaries, called* Domestic International Sales Corporations.

Feature, Page 18

Siemens buys AEG power stake

BY GUY HAWTIN

FRANKFURT, Nov. 10.

AEG-TELEFUNKEN is selling its 50 per cent. stake in Kraftwerk Union (KWU), West Germany's leading power station builder, to its partner Siemens. The deal, announced simultaneously by the two concerns to-day, relieves AEG of a heavy financial burden and gives Siemens a virtual monopoly in nuclear power plant construction within the Federal Republic.

Under the terms of the deal, which goes through at midnight on New Year's Eve, AEG will *receive DM818m. (£157m.) for its* interest in KWU's DM311m. nominal capital. Siemens will also pay DM50m. (£12.7m.) for half of AEG's 50 per cent. slice of transformatoren Union — another Siemens/AEG partnership—which has a *nominal* capital of DM50m.

The sale of the stake in KWU releases AEG from a financial engagement which could have led to it investing as much as a further DM750m. in the power station constructor by the end of the decade. Involvement in the nuclear power field has already cost the financially hard-pressed electrical giant an estimated DM1.5bn. (£381m.).

However AEG must still bear the liability for the fixed price contracts it brought into KWU. About DM800m., has been allocated to AEG's reserves as provisions for these losses—a sum which should prove sufficient despite the fact that the full extent of the losses has not yet been ascertained.

The sale of the KWU stake has been on the cards for at least two years but AEG was reportedly to have hopes of persuading Siemens to take on the liability for the remaining losses as part of the deal. Earlier this *year Siemens made* it clear that it was not prepared to do this.

While Siemens' position may have delayed the deal for a time AEG — which reported heavy losses in 1974 and 1975 and faces uncertainty on the profits front this year—had few cards to play.

The sale of its share in KWU has already been approved by the Federal Cartel Office, while the application for a Cartel Office go-ahead for the TU purchase is not expected to cause much trouble.

The statement by the two concerns said *that* AEG would continue to be involved in the future production of KWU and TU. The leading customers of KWU were also assured that the deal would not result in adverse changes in contracts in hand.

Siemens, which *to-day* announced it was proposing an unchanged dividend of 16 per cent. for 1975-76, plans to pay the purchase price out of its own resources. But its chief executive, Dr. Bernhard Plettner, said that it had not ruled out the possibility of taking a new partner—possibly a U.S. concern—into KWU some time in the future. There would be no changes for two years however, he said.

Feature Page 25

Continued from Page 1

Kodak

If, however, the injunction were enforced, Lord Justice Buckley said, Kodak might suffer damage which it might be difficult, if not impossible, to quantify.

The decision to lift the ban earlier imposed on Kodak has been made on the balance of convenience *as defined by the House* of Lords judgment in American Cynamid v Ethicon. A new argument during Kodak's appeal originated from the multinational nature of the business of both parties.

Kodak has already started production and distribution of the contested integral system of instant-picture films and cameras in North America, and was poised to start production in Europe.

Though a temporary injunction is a theoretical possibility in the U.S., it is practically impossible to achieve in this case.

Few other countries provide for the possibility of temporary prohibitions before the infringement dispute is decided.

In view of this, it was argued by Kodak that any prohibition to manufacture in the U.K. would not affect its ability to manufacture or sell anywhere else in Europe.

Polaroid has some 1,650 patents in the U.S., of which 500 relate to integral cameras. It was said in court that exports from its Scottish factory brought in over £26m. a year.

Post Office cuts non-dialled charge

BY KEVIN DONE, INDUSTRIAL STAFF

WITH PROFITS from telecommunications expected to rise by more than 115 per cent. this *year, the Post Office* handed back a small amount to subscribers yesterday by announcing a cut in charges for most calls that customers cannot dial themselves.

Sir William Ryland, the Post Office Chairman, said in Coventry that the cuts would mean that more than 100m. telephone calls would be cheaper next year. The reduced charges would operate from January 4. "This New Year present to our customers *will be worth* about £5m. a year," said Sir William.

The subscriber trunk-dialling STD conversion programme, which began in 1958, should be completed by the end of 1978. According to the latest *estimates* only a few thousand subscribers are left with no STD facilities at all. More than 98 per cent. of trunk calls can now be dialled by the customer. Last year trunk calls totalled more than 2.35bn.

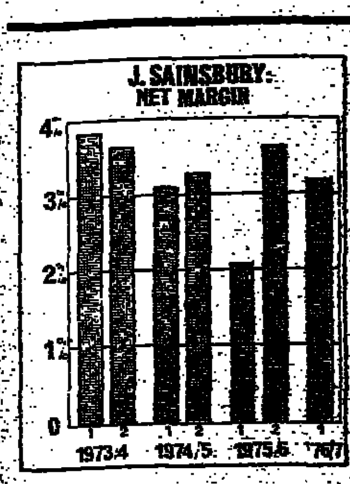
The reduced charges will cover calls where the customer must make his call through the operator because of failure of telecommunications equipment. The reduced charges should eliminate two main *sources of complaint from telephone-users*. They follow pressure for reductions from the Post Office Users National Council.

THE LEX COLUMN

Margins recover at Sainsbury

Equities and gilts moved *ahead strongly yesterday* but they have still not fully recovered from Monday's setback. Consequently, the prospects for the two new tap stocks, where subscriptions open to-day, is not very encouraging. *The Treasury* 14 per cent. 1982 is yielding slightly less than comparable stocks and high coupon longs would have to move up almost a point to make the new *long tap attractive*.

Index rose 6.9 to 302.7



J. Sainsbury

The much stronger trend in J. Sainsbury's retailing profits *which materialised in the* autumn of 1975 has extended through the six months to September, and half-year profits are up from £5.7m. to £10.7m. pre-tax. Net margins have recovered to the *level of two* years ago, and the main explanation is volume growth together with operating efficiencies resulting from larger stores.

An 18 per cent. rise in turnover includes something over 8 per cent. for volume, and although overall selling space has been increased by more than that amount, a large number of the stores have apparently increased their business in real terms. In addition, gross margins have edged up again, although Sainsbury says that its price competitiveness has improved over the past 12 months. Other favourable influences include a much better performance in meat products, which helps to explain a £348,000 increase in associate profits, and lower finance costs: with a little help from sale and leaseback arrangements, liquidity is set to improve by well over £10m. this year.

The costs structure will improve further in the current half-year when the impact of the 1976 wage award, which pushed up the payroll cost by perhaps 14 per cent. from last April, will be less noticeable. But Sainsbury is rightly concerned about the sales outlook for the final few months, since there must be at least a possibility that con-*sumer spending on food—which* in real terms has been stable since the Spring—might start to decline again.

Overall profits could emerge at, say, £22m. against £15.4m. Meanwhile the shares have fully regained their premium status, with a prospective p/e of 9½ and a yield of 7 per cent. at 118p.

Graff Diamonds

Graff Diamonds, with hindsight, should never have gone public in February 1973. *Its* ideas about using its quote to expand through acquisition swiftly collapsed along with its share price, which started at 57p in the offer for sale but for the past two years has never been far about 20p, and often below. Now the controlling shareholder Mr. Laurence Graff feels the company would be much better *off if it returned to private* status. But serious misgivings are raised by the proposal to buy out the remaining 28 per cent. minority at 28p per share.

In the first place the market rating must have been affected by the interim report last April. This announced that no interim dividend would be paid, for obscure reasons relating to the *Articles of Association* and a proposal (implemented last month) to change the Accumulating shares into Ordinary. There was no indication that the missed dividend would be paid later. Profits were reasonable at £233,000 pre-tax, but were stated after a stock provision of £138,000 — on the face of it, a puzzling move when turnover *had more than doubled*.

Now Graff is saying that high retentions are required to finance higher stock levels — up from £1.16m. to nearly £2m. over the past financial year. Although profits, on an annualised basis, have risen almost a quarter in 1975-76 (after un-specified provisions) no *dend, apparently, will* b unless Mr. Graff's of accepted — in which case dictory 2.3p a share net distributed.

Of course, anyone wh *into a minority situation* there are risks, but this bound to reflect bad Hambros, the sponsors flotation. Although eve who bought shares in 19 *1973 now has burnt fin* price of 35p for Graff w more fairly in tune w general market slide sin time.

General Accident

General Accident was in the black on its U.S. writing in the third with an operating r 100.1 per cent. compar 107.5 per cent. after six months. So altho U.K. householders hav been causing trouble a result of subsidence the overall underwritin date has been confi £14.5m., against £12.3m half year. And with changes sharply infla underlying rise in in *income, pre-tax profits* at £27.4m., compare £10.1m. a year ago.

The U.S. und account could well be over the rest of the y the U.K. position shoul much worse. So subje change rates, pre-ta could amount to abo against £40m. at the pe last cycle in 1973, operating background still be improving in 19

Obviously there mus overhand of shares left recent rights issue. B most underwriters will be happy to stick with tive p/e of under 8 of 9 per cent. at 124p

Hill Samuel

Hill Samuel's share for some time been the indifferent pros merchant banking group reports slight profits for the first si The weak areas wer ably the investment banking, which m found the going fai Shipbroking could hav own, however, and surance broking inter operating in buoyant

Weather

U.K. TO-DAY

FREEZING FOG in places inland. Showers, mainly in N.

S.E., Cent. S., S.W. England, Channel Is., Wales, Lakes, Is. of Man

Some fog inland early and late. Showers perhaps with thunder; sunny intervals. Max. 11C (52F).

E., N.E. England, Borders, *Edinburgh, Dundee, S.W.* Scotland, Glasgow

Fog early and late, perhaps freezing and persistent. Elsewhere becoming brighter with scattered showers. Max. 10C (50F). Colder where fog persists.

Outlook: Bright intervals, scattered showers. Fog.

Lighting-up: London 16.47, Manchester 16.49, Glasgow 16.48, Belfast 17.00.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	C	24	75	Madrid	C	9	48
Amsterdm.	C	11	52	Manchstr.	Fg	3	37
Athens	C	18	64	Melbourne	S	26	79
Barcelona	F	16	61	Mexico C.	S	20	68
Belfast	S	6	43	Milan	C	10	50
Belgrade	S	19	66	Montreal	C	−2	28
Berlin	F	10	50	Moscow	C	1	34
Birmghm.	S	6	43	Munich	C	9	48
Bristol	F	4	39	Newcastle	S	7	45
Brussels	C	12	54	New York	S	9	48
Budapest	S	13	55	Oslo	C	6	43
B. Aires	S	20	68	Paris	C	11	52
Cairo	S	28	82	Perth	R	14	57
Cardiff	S	9	48	Prague	C	6	43
Cologne	C	12	54	Reykjavik	S	−1	30
Copenhgn.	C	9	48	Rio de J'o	S	30	86
Dublin	F	9	48	Rome	F	20	68
Edinburgh	S	9	48	Singapore	C	29	84
Frankfurt	F	10	50	Stockholm	C	9	48
Geneva	R	9	48	Strasbourg	C	10	50
Glasgow	F	7	45	Sydney	C	25	77
Helsinki	Dr	5	41	Tel Aviv	S	23	73
Hong Kong	S	27	81	Tokyo	C	19	66
Jo'burg	C	16	61	Toronto	C	5	41
Lisbon	C	13	55	Vienna	C	14	57
London	C	9	48	Warsaw	C	8	46
Luxembrg.	R	9	48	Zurich	S	12	54

HOLIDAY RESORTS

Ajaccio	C	22	72	Istanbul	C	14	57
Algiers	C	19	66	Jersey	C	10	50
Biarritz	C	10	50	Las Plms.	C	21	70
Blackpool	Fg	5	41	Locarno	R	8	46
Bordeaux	C	12	54	Majorca	F	16	61
Boulogne	R	8	46	Malaga	F	16	61
Casablnca	C	18	64	Malta	S	21	70
Cape Town	S	24	75	Nairobi	C	22	72
Corfu	F	19	66	Naples	F	20	68
Dubrovnik	F	18	64	Nassau	S	25	77
Faro	C	14	57	Nice	R	13	55
Florence	F	16	61	Oporto	R	10	50
Funchal	F	20	68	Rhodes	F	20	68
Gibraltar	F	16	61	Salzburg	F	11	52
Guernsey	F	10	50	Tangier	C	16	61
Innsbruck	F	15	59	Tunis	F	23	73
Inverness	S	9	48	Valencia	F	16	61
I. of Man	C	9	48	Venice	C	12	54

S—Sunny. F—Fair. C—Cloudy. Fg—Fog. Dr—Drizzle. R—Rain.

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